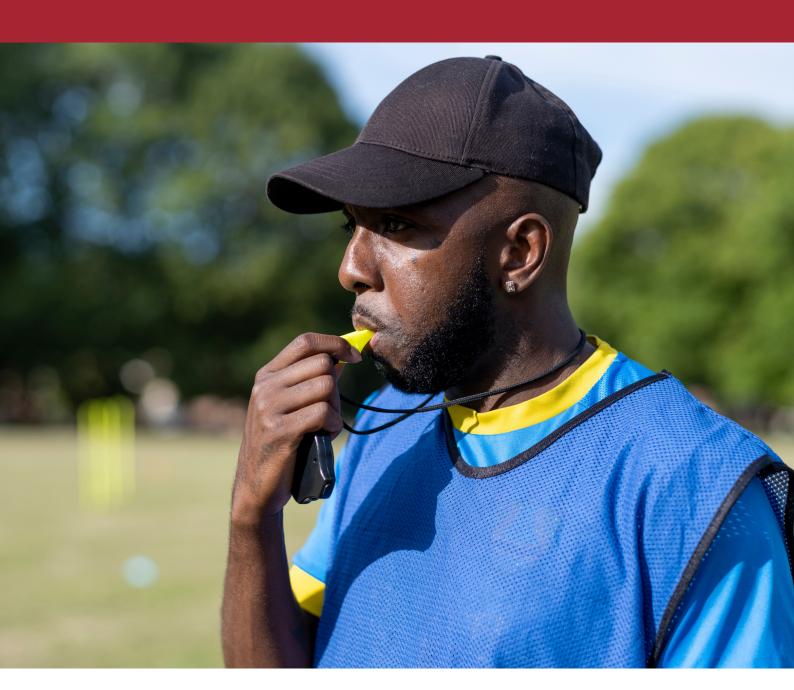
# Calling time on child poverty: how Wales can do better

November 2023





The Welsh Parliament is the democratically elected body that represents the interests of Wales and its people. Commonly known as the Senedd, it makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

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# Calling time on child poverty: how Wales can do better

November 2023



# **About the Committee**

The Committee was established on 23 June 2021. Its remit can be found at: www.senedd.wales/SeneddEquality

# Current Committee membership:



**Committee Chair: Jenny Rathbone MS**Welsh Labour



**Jane Dodds MS**Welsh Liberal Democrats



**Altaf Hussain MS**Welsh Conservatives



**Sarah Murphy MS** Welsh Labour



**Ken Skates MS**Welsh Labour



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The following Member also contributed to this inquiry:



Jane Bryant MS Welsh Labour

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# Chair's foreword

Across the United Kingdom 4.2 million children under 18 live in poverty. That's 29 per cent<sup>1</sup> or nine children in a class of 30 living in households too poor to afford the basics. Why do we tolerate that when we are part of the 6<sup>th</sup> richest economy in the world?

There are more children and young people living in poverty than any other age group. Children have no control over their circumstances and lack any means of redress. The hardship they face is one that is imposed on them. It is a burning injustice which sits awkwardly with any claim to be a country that promotes fair play. We want to call time on child poverty.

It is not hard to be daunted by the scale of the challenge - money is tight and several important levers are controlled by the UK. But the growing body of research evidence means we know which policies and interventions have proven track records. That is where we've tried to focus our attention.

Our central message is that the Welsh Government needs to follow the evidence and prioritise those policies which make the maximum contribution to tackling child poverty. This may involve difficult decisions and trade-offs. But it must embed children's rights in policy and in practice.

The Government needs to overcome its aversion to setting targets. The evidence from Scotland and New Zealand is clear: targets work. Alongside other measures and milestones, they set the direction of travel, and keep track of progress.

<sup>&</sup>lt;sup>1</sup> Households Below Average Income, <u>Statistics on the number and percentage of people living in low income households for financial years 1994/95 to 2021/22</u>, Department for Work and Pensions, 2023

Finally, appointing a Minister for Babies, Children and Young People would send the clearest signal that Wales is serious about giving every child the best start in life.

Jenny Kattlie.

**Jenny Rathbone MS** 

Chair of the Equality and Social Justice Committee

# Child poverty: what the numbers and the people behind them are telling us

# How is child poverty measured?

There are a range of child poverty measures for which data is available for Wales:

- Absolute poverty is where a household's income is below 60% of the median income threshold for 2010-11. <u>Using this measure</u>, 22% of children in Wales experienced absolute poverty in 2019-20 to 2021-22.
- Persistent poverty is where a household is in poverty for 3 out of 4 years. After housing costs, a child in Wales had a 17% likelihood of being in persistent poverty between 2017 and 2021.
- Households are in material deprivation if they cannot access particular goods and services, and low-income if their household income is less than 70% of the UK average. Between 2019-20 and 2021-22, 13% of children living in Wales were experiencing material deprivation and low income.

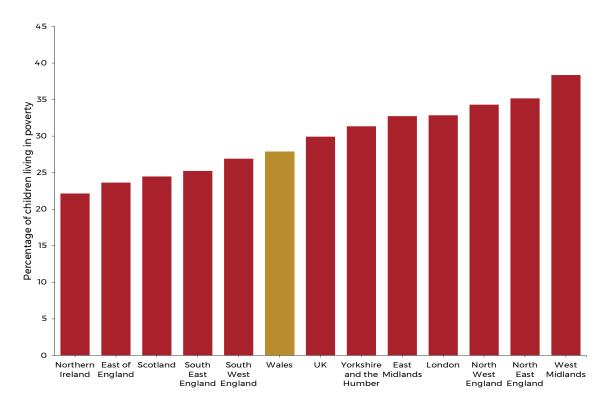
A child is considered to be in **relative poverty** if the income of the household they live in falls below 60% of the UK median (which is the middle value in a list of numbers arranged from smallest to largest). This is the measure most commonly used to measure child poverty in the UK, and the rest of the data in this section relates to relative poverty.

# What progress has there been in tackling child poverty?

Tackling child poverty has been a stated aim of successive governments. Progress over time, however, has been mixed and children have been the age group most likely to be in poverty throughout devolution.<sup>2</sup>

28% of children living in Wales were in relative income poverty over the 2019-20 to 2021-22 period after housing costs had been taken into account. This is lower than the UK figure of 30% and six of the nine English regions, but higher than in Scotland and Northern Ireland (see Figure 1).<sup>3</sup>





<sup>&</sup>lt;sup>2</sup> Welsh Government, Relative income poverty: April 2021 to March 2022

<sup>&</sup>lt;sup>3</sup> Department for Work and Pensions, <u>Households below average income</u>: <u>for financial years ending 1995 to 2022</u>

<sup>&</sup>lt;sup>4</sup> Department for Work and Pensions, <u>Households below average income</u>: <u>for financial years</u> <u>ending 1995 to 2022</u>

Analysis shows that child poverty in Wales decreased slightly between 2012-13 to 2014-15 and 2019-20 to 2021-22. Over this period, only London and Northern Ireland saw a greater decrease in child poverty (see Figure 2).<sup>5</sup>

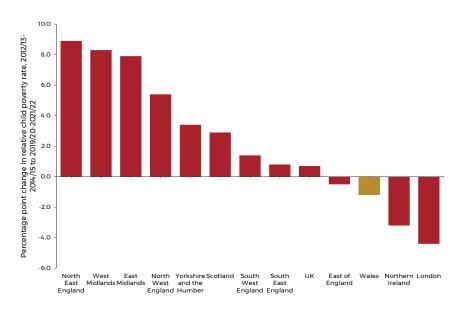


Figure 2 - Percentage change in relative child poverty rate 2012/13 to 2021/22

However, taking a longer-term view, child poverty rates in Wales have consistently been higher than in Scotland and Northern Ireland (see figure 3).<sup>6</sup>

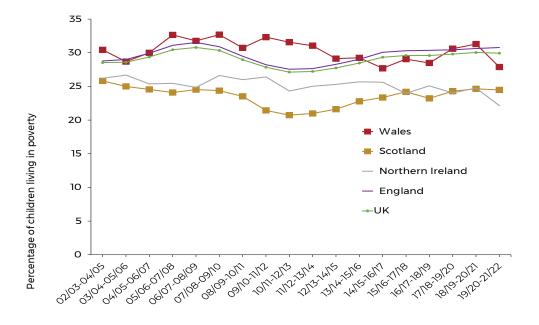


Figure 3 - Child poverty rates in the UK nations after housing costs

<sup>&</sup>lt;sup>5</sup> Dr Juliet Stone, Local indicators of child poverty after housing costs, 2021/22

<sup>&</sup>lt;sup>6</sup> Welsh Government, Relative income poverty: April 2021 to March 2022

According to the Resolution Foundation, child poverty rates in the UK are expected to reach their highest for 30 years four years from now:

"Worryingly, relative child poverty continues to rise postcrisis, as the two-child limit, benefit cap and frozen LHA rates continue to drag down income growth at the bottom of the distribution. Indeed, by 2027-28, relative child poverty is set to have reached its highest rate since 1998-99, with 170,000 more children set to be in relative poverty than in 2021-22."

# How living in poverty impacts children

Child poverty affects children's life chances, learning, health and future work prospects.8

"We couldn't afford after-school clubs or any kind of activities after school like going swimming or football. We'd go to the park or go for a walk. When I wasn't driving, we were getting on eight buses a day to do the school run, so we're leaving the house two hours early and it's taking us another hour and a half – two hours to get home. We were spending close to about £400 a month on bus travel."

- Focus group participant, Swansea

"We had really bad diets when our son was growing up because we lived on crisps and our son had meals."

- Focus group participant, Swansea

<sup>&</sup>lt;sup>7</sup> Resolution Foundation, The Living Standards Outlook 2023, January 2023

<sup>&</sup>lt;sup>8</sup> Bandyopadhyay, A. et al, <u>How does the local area deprivation influence life chances for children in poverty in Wales: A record linkage cohort study</u>

Figure 4 provides more information on the impact of poverty on children and life chances including on educational attainment, mortality rates and earnings.

Figure 4 - infographic on the impact on children and life chances9



In 2021/22, pupils in Wales who were eligible for free school meals were 19 percentage points less likely to get an A\* or A at GCSE than pupils not eligible for free school meals



Pupils eligible for free school meals were also 28 percentage points less likely to get an A\*-C grade at GCSE than pupils not eligible



The child mortality rate in Wales is 70% higher for children in the most deprived groups than the least deprived children



Children living in poverty are four times more likely to develop a mental health problem by the age of 11



UK adults who grew up in poverty will miss out on over £12 billion in lost earnings compared to if they had not lived in poverty as a child



There is a strong link between childhood deprivation and unemployment or poverty in adulthood. In the UK these links are amongst the strongest of any European country

There is an urgent need for the Welsh Government to use the levers within its powers to reverse this trend. Throughout this report, we assess the impact its proposed approach is likely to have.

<sup>&</sup>lt;sup>9</sup> Sources: Royal College of Paediatrics and Child Health, <u>State of child health</u>: <u>Wales</u>; Centre for Mental Health, <u>Children of the New Century</u>: <u>Mental health findings from the Millennium Cohort Study</u>; Gregg, P. et al, <u>Children in jobless households across Europe</u>: <u>Evidence on the association with medium- and long-term outcomes</u>

# Recommendations

**Recommendation 1.** In updating its strategic approach to tackling child poverty, the Welsh Government should:

- Set interim and longer-term targets for reducing child poverty learning from the approaches taken in other countries such as Scotland and New Zealand. These should aim for ambitious and realistic reductions for children in relative poverty, absolute povety, material deprivation and persistent poverty.
- Publish a detailed action plan setting out how it will achieve its targets.
   Each activity within the action plan should set out which Minister is responsible for delivering it, timescales, and how it will be monitored.
   The action plan should be published within 6 months of publication of the final Strategy.

**Recommendation 4.** The Welsh Government should provide an update on progress with the development of the Welsh Benefits System, including:

- Milestones it expects to achieve over the next year, timescales for implementing other actions, and how it plans to address barriers to implementing a coherent system such as eligibility criteria, uncertainty around data sharing, and technological challeges.
- What consideration it has given to how the pilots being run in Scotland on involving the Department for Work and Pensions can inform its work around the Welsh Benefits System.

 Analysis of how a version of the Scottish Child Payment might be introduced in Wales in the future.

# 1. Introduction and background

1. This report details the conclusions of the Equality and Social Justice Committee's inquiry into the Welsh Government's draft Child Poverty Strategy ("the Draft Strategy").

For information on the background to this inquiry, including the terms of reference, please visit the inquiry homepage.

# **Evidence gathering**

- 2. The Committee seeks to add value to the work already done to inform the development of the Draft Strategy. This includes the Wales Centre for Public Policy's (WCPP) review of poverty and social exclusion<sup>10</sup>, and the thorough engagement undertaken with children, families, organisations and young people by the Welsh Government.<sup>11</sup>
- **3.** The Committee gathered evidence from a targeted group of stakeholders which included charities, think tanks, academics, and others. Evidence was gathered through <u>written submissions</u>, <u>oral evidence hearings</u>, roundtable sessions with stakeholders and visits to community projects in Swansea.
- **4.** The report also considers approaches taken elsewhere, in Norway, New Zealand and Scotland.
- **5.** The Chair of the Children, Young People and Education Committee, Jayne Bryant MS also took part in the inquiry.<sup>12</sup>
- **6.** The Committee would like to thank all those who supported the inquiry with their contributions.

<sup>&</sup>lt;sup>10</sup> Wales Centre for Public Policy, <u>Poverty and social exclusion review</u>

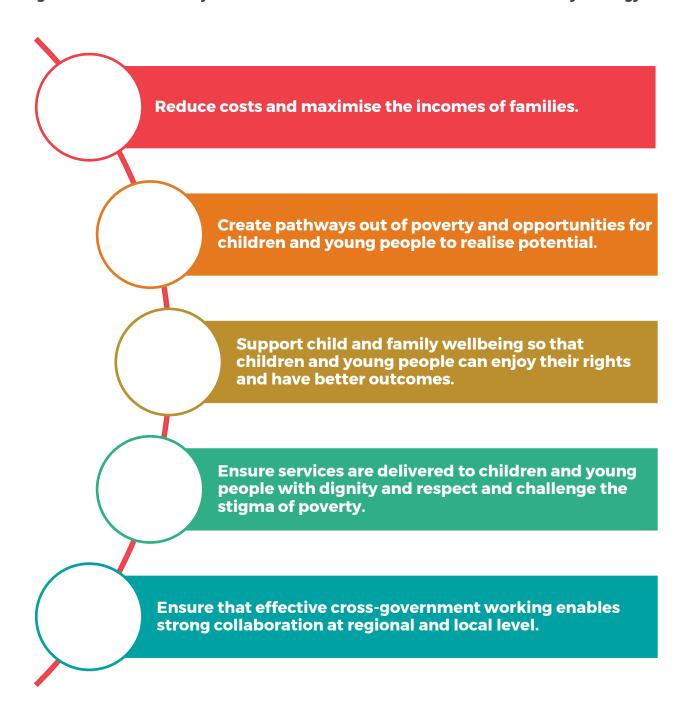
Welsh Government, **Draft Child Poverty Strategy**, 19 June 2023

<sup>&</sup>lt;sup>12</sup> The invitation to participate was made under Standing Order 17.49.

# **The Draft Strategy**

7. The Welsh Government consulted on its Draft Child Poverty Strategy from 19 June to 11 September 2023.<sup>13</sup> Its five draft objectives are outlined in Figure 5.

Figure 5 - the five draft objectives of the Welsh Government's Draft Child Poverty Strategy



<sup>&</sup>lt;sup>13</sup> Welsh Government, **Draft Child Poverty Strategy**, 19 June 2023

**8.** The Strategy included five draft priorities which are detailed in Figure 6.

#### Figure 6 - the five draft priorities of the Welsh Government's Draft Child Poverty Strategy

#### **Entitlement** -

putting more money in people's pockets through income maximisation; developing a Welsh Benefits System; and accelerating work to ensure that education is a cost-neutral experience.

Creating a fair work nation - delivering the recommendations of the Fair Work Commission report; promoting fair work through the Social Partnership Act 2023; consolidating employability support; and reducing barriers to work such as transport and childcare costs.

#### **Building communities –**

'thinking community' when developing relevant policies and programmes; delivery of more community-based offers for play, sports and youth opportunities; and identifying new, coproductive ways of working to develop joined-up services.

#### **Inclusion -**

develop an implementation plan for the Trauma Informed Wales Framework; tackle barriers to implementing poverty-proofing approaches and inclusive educational environments; take a children's rights approach to PfG commitments.

# **Enabling collaboration -**

through integrating policy and funding aims to deliver better collaboration; look at additional capacity to support co-ordination of anti-poverty work; and developing a communities of practice approach for sharing good practice.

**9.** The Welsh Government also published an **integrated impact assessment** and **children's rights impact assessment**.

# 2. Ambition and accountability

# Lack of ambition

**10.** In her foreword to the Draft Strategy, the Minister for Social Justice, Jane Hutt MS highlighted the impact of UK Government policy decisions on efforts to tackle child poverty:

"Since 2010, and the age of austerity, investment by successive UK Governments has been reduced. Child poverty targets have been abandoned. The Child Poverty Unit in the UK Government has been closed down. [...] The 'benefit cap', by itself, is designed to ensure that children have to carry the consequences of decisions made by adults, in which they played no part. In these circumstances, while the efforts of the Welsh Government can mitigate, or slow down, the impact of UK decisions, they cannot reverse the tide which flows so powerfully and deliberately in the opposite direction." <sup>114</sup>

11. However, Chris Birt of the Joseph Rowntree Foundation (JRF) highlighted that there is plenty that can be done by the Welsh Government:

"The Welsh Government says its powers are more restricted than those of the Scottish Parliament and the Scottish Government, but if we think that there is nothing that the Welsh Government or Senedd can do to reduce poverty in Wales, I'd pack up. Of course there are things to do".15

- **12.** Similarly, the Children's Commissioner, the Bevan Foundation, and Dr Rhian Croke all called for the Draft Strategy to be much more ambitious, as did those who took part in our stakeholder roundtable. <sup>16</sup>
- 13. The Children's Commissioner said that:

"... it just doesn't sound to children and young people like we really have much faith in our own ability to even deliver the

<sup>&</sup>lt;sup>14</sup> Welsh Government, Consultation: the draft Child Poverty Strategy for Wales 2023, 19 June 2023

<sup>&</sup>lt;sup>15</sup> Record of Proceedings, paragraph 50, 25 September 2023

<sup>&</sup>lt;sup>16</sup> Written Evidence, Children's Commissioner for Wales, Bevan Foundation, Record of Proceedings, paragraph 260, 274, 261, 322, 25 September 2023; Summary of stakeholder sessions (comment on post-it notes)

aspirations that are in the strategy; it sounds like a very defeatist approach, where we're focusing more on what we can't do and why."<sup>17</sup>

**14.** The Bevan Foundation acknowledged that while several levers are not devolved, the Welsh Government has powers it can and has used to boost household incomes. <sup>18</sup> Dr Victoria Winckler concluded that:

"I'd much rather that there were three actions that made a big impact without necessarily having any strategy document at all, than a perfectly crafted world-leading strategy, with all the bells and whistles that that document needs, that makes no difference. So, I think it's about getting the right balance, and I think at the moment we don't really have either." 19

**15.** NSPCC Cymru said that the Draft Strategy lacked detail on how it will work towards its objectives and that, although they appreciated the limitations faced by the Welsh Government in respect of policy levers reserved to the UK Government, they expected "more focus on what Welsh Government can do to address these, rather than a focus on what it cannot do".<sup>20</sup>

# **Accountability**

- **16.** The Draft Strategy does not include any child poverty reduction targets. Instead, it states the national milestones agreed under the Well-being of Future Generations Act 2015 will be used to measure progress.<sup>21</sup> Of the 50 national milestones and indicators, only two directly reference children and young people (although other milestones are relevant).<sup>22</sup> The Welsh Government will seek independent research advice and consult separately on additional poverty indicators and a "framework to monitor and demonstrate transparent accountability in reporting on our tackling poverty progress".<sup>23</sup>
- 17. Our witnesses argued this approach lacks accountability.

<sup>&</sup>lt;sup>17</sup> Record of Proceedings, paragraph 322, 25 September 2023

<sup>&</sup>lt;sup>18</sup> Written evidence, Bevan Foundation

<sup>&</sup>lt;sup>19</sup> Record of Proceedings, paragraph 240, 25 September 2023

<sup>&</sup>lt;sup>20</sup> Written evidence, NSPCC Cymru

<sup>&</sup>lt;sup>21</sup> Welsh Government, **Consultation: the draft Child Poverty Strategy for Wales 2023**, 19 June 2023

<sup>&</sup>lt;sup>22</sup> Welsh Government, **National indicators and national milestones for Wales**, 22 November 2022

<sup>&</sup>lt;sup>23</sup> Welsh Government, Consultation: the draft Child Poverty Strategy for Wales 2023, 19 June 2023

- **18.** The Children's Commissioner said that the Draft Strategy "doesn't really spell out exactly what, how, when or who will actually deliver against those different policies in order to reduce and eradicate child poverty."<sup>24</sup> She contrasted this with previous strategy documents, such as that of 2015, which included ways to measure progress.<sup>25</sup>
- **19.** Dr Victoria Winckler felt that the proposal to use the national milestones rather than targets is:

"... a bit like marking your own homework... I think that it's difficult to monitor progress when you don't have clear targets, because you are just reporting on trends. You're not actually reporting on the effectiveness of your own interventions."<sup>26</sup>

# **Targets**

**20.** A key theme in evidence from NSPCC Cymru, the Bevan Foundation, the HRC Observatory, the Equality and Human Rights Commission (EHRC) and the Royal College of Physicians was the need for targets to focus attention on reducing child poverty.<sup>27</sup> Two case studies below highlight ways of doing this.

#### New Zealand

The percentage of children in New Zealand living in child poverty rose substantially in the late 1980s and early 1990s. In 2017, a new government promised to set a child poverty reduction target in law. Then Prime Minister, Jacinda Ardern, also took on the role of Minister for Child Poverty Reduction.

The Child Poverty Reduction Act 2018 requires governments in New Zealand to set targets to reduce child poverty according to a number of measures. The New Zealand Government has set a number of child poverty reduction targets:

 Reduce the proportion of children living in low income households before housing costs are considered to 10.5% of

<sup>&</sup>lt;sup>24</sup> Record of Proceedings, paragraph 261, 25 September 2023

<sup>&</sup>lt;sup>25</sup> Written evidence, Children's Commissioner

<sup>&</sup>lt;sup>26</sup> Record of proceedings, <u>paragraph 229</u>, 25 September 2023

<sup>&</sup>lt;sup>27</sup> Written evidence, NSPCC, Bevan Foundation, the HRC Observatory

- children by 2020-21 (this target wasn't met), to 10% by 2023-24, and to 5% by 2027-28.
- Reduce the proportion of children living in low income households after housing costs are taken into account to 18.8% of children by 2020-21 (this target was met), to 15% by 2023-24, and to 10% by 2027-28.
- Reduce the proportion of children living in material hardship to 10.3% of children by 2020-21 (this target was met), to 9% by 2023-24, and to 6% by 2027-28.
- A measure of persistent poverty will be developed by 2025-26, with targets set from then on.

#### Scotland

Through the Child Poverty (Scotland) Act 2017, the Scottish
Government established an independent Poverty and Inequality
Commission to advise Ministers and has set legal targets against four poverty measures:

- less than 18% of children should be living in relative poverty by 2023-24, and 10% by 2030-31;
- less than 14% of children should be living in absolute poverty by 2023-24, and 5% by 2030-31;
- less than 8% of children should be living with combined low income and material deprivation by 2023-24, and 5% in 2030-31;
- less than 8% of children should be living in persistent poverty by 2023-24, and 5% in 2030-31.
- 21. Chris Birt of JRF set out why more is less:
  - "... if you have 100 different targets, then it's really difficult to prioritise. And, in Scotland, we have four: so, we have the relative poverty measure, which is the headline poverty; absolute

poverty, which shows progress over time; something around material deprivation is obviously important, because it speaks to what families can afford; and then a persistence measure, so how many people are stuck in poverty rather than moving in and out of it".28

- 22. In its 2022 report on poverty, Audit Wales recognised that "the scale of the challenge and weaknesses in current work make it difficult for Welsh and local government to deliver the systemic change required to tackle and alleviate poverty."<sup>29</sup> In terms of future efforts Audit Wales noted that "there is currently no specific target for reducing poverty in Wales and the current Child Poverty strategy needs to be refreshed." It recommended that an updated Strategy should set targets, include SMART national actions; establish a suite of performance measures to judge delivery, and undertake regular evaluation and public reporting.30
- 23. The Children's Commissioner cited the United Nations Committee on the Rights of the Child report of June 2023, which called on the UK and devolved governments to:

"Develop or strengthen existing policies, with clear targets, measurable indicators and robust monitoring and accountability mechanisms, to end child poverty."31

- 24. Chris Birt highlighted the risks that government strategies are "nice warm words" and that "the most important element of these strategies is what you're going to do about it and how you're going to deliver on that."32
- 25. Several stakeholders highlighted that the Children and Families (Wales) Measure 2010 refers to "strategies for contributing to the eradication of child poverty".33 The 2010 Measure uses the 60% of median income definition of relative poverty as its primary indicator for tracking progress.<sup>34</sup> Both the Bevan Foundation and the HRC Observatory called for inclusion of this 2010 indicator in the new

<sup>&</sup>lt;sup>28</sup> Record of Proceedings, paragraph 124, 25 September 2023

<sup>&</sup>lt;sup>29</sup> Audit Wales, <u>Time for change - Poverty in Wales</u>, 1 November 2022

<sup>&</sup>lt;sup>30</sup> Audit Wales, <u>Time for change - Poverty in Wales</u>, 1 November 2022

<sup>31</sup> UNCRC Report

<sup>&</sup>lt;sup>32</sup> Record of Proceedings, paragraph 49, 25 September 2023

<sup>&</sup>lt;sup>33</sup> Children and Families (Wales) Measure 2010, NAWM 1; RoP paragraph 273; Written evidence, Bevan Foundation

<sup>&</sup>lt;sup>34</sup> Section 2(a) of the Measure includes provisions to ensure that, so far as reasonably practicable, there are no households including one or more children where household income is less than 60% of median income in the United Kingdom.

Strategy. The Bevan Foundation also called for other supporting measures, such as the proportion of parents in work; take up rates of social security benefits; and the number of families in fuel poverty.<sup>35</sup>

# **Delivery**

- **26.** A number of organisations called for a delivery plan to clearly set out how the aims of the Strategy will be delivered, and to co-ordinate the work of different government departments.
- 27. Sean O'Neill from Children in Wales called for:
  - "... a delivery plan in place with clear, measurable and ambitious milestones supported by transparent monitoring arrangements".<sup>36</sup>
- 28. The Children's Commissioner said that:

"the strategy must be accompanied by a comprehensive Action Plan and monitoring framework which sets out targets and measurable outcomes. It is not currently clear at all how any of the draft strategy will translate into tangible actions and how or when they would be delivered."<sup>37</sup>

- **29.** Chris Birt from the JRF pointed out that in Scotland, a delivery plan is produced every five years:
  - "... one of the key things is delivery: what are the actions in it, how will they be measured, how will we know if they're working?"<sup>38</sup>

#### **Our view**

Every child deserves the best start in life. Yet too many children are denied this due to circumstances beyond their control. We welcome the priority that the Welsh Government has given to tackling child poverty but are concerned that this

<sup>&</sup>lt;sup>35</sup> Written evidence, Bevan Foundation

<sup>&</sup>lt;sup>36</sup> Record of Proceedings, paragraph 139, 25 September 2023

<sup>37</sup> Written evidence, Children's Commissioner for Wales

<sup>&</sup>lt;sup>38</sup> Record of Proceedings, <u>paragraph 50</u>, 25 September 2023

Draft Strategy lacks the ambition and accountability needed to deliver a step change in addressing it.

We fully recognise the strain on Welsh public finances, and that the most significant policy levers for redistributing wealth and reducing inequalities are held by the UK Government and Westminster. However, the Strategy's primary message should be what the Welsh Government can do to alleviate child poverty, rather than what it cannot do.

We understand the reluctance to set targets and measure actions where the Welsh Government does not have the full range of tools at its disposal. However, accountability for progress is critical in helping to focus minds on addressing the challenge ahead. We share the deep unease within the sector about the lack of targets and milestones in the Draft Strategy. We consider it essential that challenging but realistic interim and longer-term targets are included in the child poverty Strategy. These should learn from approaches elsewhere in the world, such as Scotland and New Zealand, both of which have set binding targets aimed at reducing child poverty. The Final Strategy should be underpinned by a detailed action plan setting out the actions and timescales for delivery.

**Recommendation 1.** In updating its strategic approach to tackling child poverty, the Welsh Government should:

- set interim and longer-term targets for reducing child poverty learning from the approaches taken in other countries such as Scotland and New Zealand. These should aim for ambitious and realistic reductions for children in relative poverty, absolute poverty, material deprivation and persistent poverty.
- Publish a detailed action plan setting out how it will achieve its targets. Each activity within the action plan should set out which Minister is responsible for delivering it, timescales, and how it will be monitored. The action plan should be published within 6 months of publication of the final Strategy.

# 3. A child poverty strategy based on children's rights

"Where in the strategy can children hold Welsh Government to account?"<sup>39</sup>

- A participant in the roundtable discussion

- **30.** The Office of the Children's Commissioner has developed the Right Way approach. The Commissioner calls for the Draft Child Poverty Strategy to be structured around these five principles:
  - Embedding children's rights putting children's rights at the core of planning and delivery;
  - Equality and non-discrimination ensuring that every child has an equal opportunity to be the best they can be and is not discriminated against;
  - Empowering children enhancing children and young peoples' capabilities as individuals so they're better able to take advantage of rights;
  - Participation listening to children and young people and taking their views meaningfully into account; and
  - Accountability authorities should be accountable to children and young people.

# **Principle 1: Embedding children's rights**

**31.** The Rights of Children and Young Persons (Wales) Measure 2011<sup>40</sup> placed an obligation on Welsh Government to have due regard to United Nations Convention on the Rights of the Child (UNCRC) in everything it does on child poverty. The UNCRC states:

"Every child has the right to a standard of living that is good enough to meet their physical and social needs and support

<sup>&</sup>lt;sup>39</sup> Notes from stakeholder sessions

<sup>&</sup>lt;sup>40</sup> Rights of Children and Young Persons (Wales) Measure 2011

their development. Governments must help families who cannot afford to provide this."<sup>41</sup>

- **32.** The Welsh Government has developed a Children's Rights Scheme structured around the five principles of the Right Way approach. The Scheme has a stated intention of providing a strategic framework to integrate children's rights into decision-making, policy and practice.
- **33.** Yet the Children's Commissioner, the EHRC and the HRC Observatory say a child's rights approach needs to be more consistently and rigorously applied to the Draft Strategy. All call on the Welsh Government to revise the strategy to focus on these five principles. The HRC Observatory said that the Draft Strategy must "directly and expressly acknowledge the Convention on the Rights of the Child (CRC) as the primary framework for tackling child poverty in Wales":

"We would like to see the Draft Strategy adopt the CRC as the primary framework for policy on tackling child poverty, and specific rights deployed as touchstones to identify deficit, develop interventions, and to establish outcome targets and progress indicators."<sup>42</sup>

**34.** The EHRC say "[...]it is not clear how wider articles of the UNCRC or other international human rights obligations, or the duty on Welsh Ministers, have informed the development of the Draft Strategy" and described it as a "missed opportunity to develop a rights-based" approach.<sup>43</sup>

#### **The Child Rights Impact Assessment**

- **35.** A Child Rights Impact Assessment (CRIA) is used by the Welsh Government to assess compliance with its legislative duties on children's rights. Guidance on its website says that a CRIA helps to embed the UNCRC in decision making, and "allows officials to consider the impact to children and their rights of any proposed law, policy or budgetary decision".<sup>44</sup>
- **36.** The Children's Commissioner, the EHRC and the HRC Observatory say that neither the Integrated Impact Assessment (IIA) nor the Children's Rights Impact Assessment (CRIA) are sufficiently comprehensive.<sup>45</sup> Witnesses also say that the

<sup>&</sup>lt;sup>41</sup> Unicef, United Nations Convention on the Rights of the Child

<sup>&</sup>lt;sup>42</sup> Written evidence, Observatory on Human Rights of Children

<sup>&</sup>lt;sup>43</sup> Written evidence, EHRC

<sup>44</sup> Welsh Government, Publication of children's rights impact assessments

<sup>&</sup>lt;sup>45</sup> Written evidence, HRC Observatory, Children's Commissioner for Wales

CRIA simply restates lists of relevant rights without any assessment or interrogation of how individual rights will be affected positively or negatively. Neither does it give examples of how the strategy will enhance children's rights.<sup>46</sup>

**37.** Stakeholders expressed concerns that it is unclear how the evidence base in the IIA has directly informed the priorities and objective within the Draft Strategy.

# Principles 3 & 4: Empowering children and participation

- **38.** A child's right approach includes empowering children to be better able to take advantage of their rights. The participation of children and young people is also a key principle, listening to them and taking their views meaningfully into account.
- **39.** As well as being a fundamental right under the UNCRC, children and young people's participation is considered an important tool to create effective policies, quality services and better use of resources.
- **40.** During the roundtable discussions the engagement undertaken by the Welsh Government with children and young people to inform the Strategy was praised by several participants. However they said that what children and young people said during that engagement process is not then clearly reflected in the priorities set out in the Draft Strategy.<sup>47</sup>
- **41.** The Children's Commissioner says:

"The extensive engagement exercises undertaken by Welsh Government are welcome, but this is not adequately reflected in the draft strategy. There is a lack of correlation between the 'what we have heard' sections reflecting engagement with children and young people, and other stakeholders and the priorities set out by Welsh Government."<sup>48</sup>

**42.** Ally Dunhill of Eurochild emphasised the importance of being clear as to why children's views are or are not included:

"[...] if you do do stakeholder engagement, you engage with the organisations or the children themselves. I'd recommend that you go back to those individuals and you provide them with the

<sup>&</sup>lt;sup>46</sup> Written evidence, HRC Observatory, Children's Commissioner for Wales

<sup>&</sup>lt;sup>47</sup> Summary of stakeholder sessions

<sup>&</sup>lt;sup>48</sup> Written evidence, Children's Commissioner

information that you have actually considered and included in your strategy, and also explain, especially to the children, why you did not consider what they said in their examples."<sup>49</sup>

# **Principle 2: Equality and non-discrimination**

**43.** The EHRC says the Welsh Government must revise the priority actions in the Draft Strategy and set out the steps it will take to address socio-economic disadvantage experienced by people who share protected characteristics:

"The UN CRC Committee has also been clear that there are certain groups who are disproportionately affected by poverty and other issues, for example disabled children, refugee and migrant children, Gypsy, Roma and Traveller children and certain other ethnic minorities."50

# **Groups of children particularly likely to live in poverty**

- **44.** Welsh Government figures highlight that children living in households with particular characteristics are especially likely to live in poverty in Wales.<sup>51</sup>
- **45.** Child poverty data broken down by ethnicity was not available in the most recent Wales figures. But we know that 40% of people from a household headed by someone from a Black, Asian or minority ethnic group were in relative poverty (after housing costs), compared to 22% of people living in a household headed by someone from a white ethnic group.<sup>52</sup>

<sup>&</sup>lt;sup>49</sup> Record of Proceedings, paragraph 22, 25 September 2023

<sup>&</sup>lt;sup>50</sup> Written evidence, EHRC

<sup>&</sup>lt;sup>51</sup> Stats Wales, <u>Poverty - children</u> (data taken from a number of the reports on this page)

<sup>52</sup> Welsh Government, Relative income poverty: April 2021 to March 2022

- **46.** Chris Birt highlighted that the Scottish Government's child poverty delivery plan identifies six priority family groups, as almost 90% of children living in poverty belong to at least one group. The six groups are:
- Lone parent families;
- Families where at least one person has a disability;
- Families with 3 or more children:
- Families from minority ethnic communities;
- Families where the youngest child is less than 1; and
- Families where the mother is under 25.53
- **47.** The Strategy does acknowledge that "socio-economic disadvantage is highly intersectional" and references how people with protected characteristics were engaged in the development of the draft version. It also sets out the Welsh Government's commitments in respect of the broader policy agenda:

# **Anti-racist Wales Action Plan**

Advancing gender equality: action plan

Action on disability: the right to independent living framework and action plan

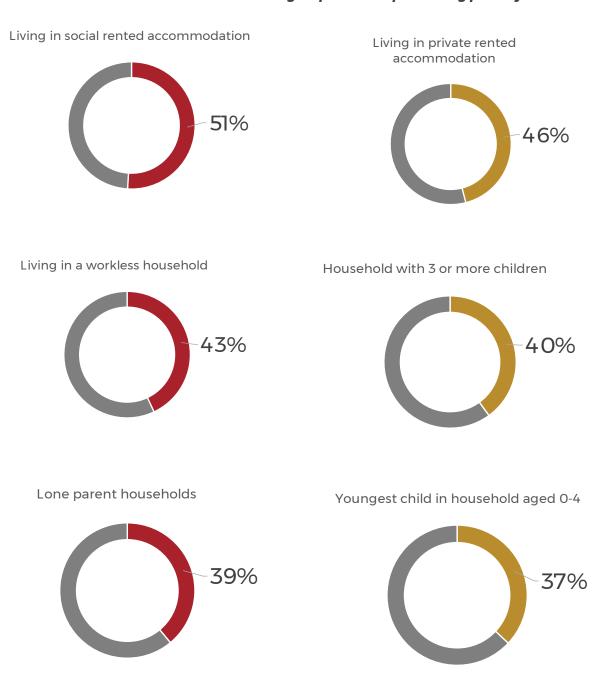
#### **LGBTQ+ Action Plan for Wales**

**48.** However, the Bevan Foundation said the Draft Strategy could be "much better targeted" at children and families with protected characteristics and also those most at risk of poverty "i.e. families with children aged 0-4 years, large families and single parent families."<sup>54</sup>

<sup>&</sup>lt;sup>53</sup> Scottish Government, <u>Best Start. Bright Futures: tackling child poverty delivery plan 2022 to 2026</u>

<sup>&</sup>lt;sup>54</sup> Written evidence, Bevan Foundation

Figure 7: Likelihood of children from different groups to be experiencing poverty



- **49.** Dr Ally Dunhill emphasised the importance of supporting larger families, as "Money goes down, or money doesn't go far enough, with larger families". <sup>55</sup>
- **50.** The Children's Commissioner highlighted specific barriers facing families from ethnic minority communities including the accessibility of advice about benefits and entitlements". <sup>56</sup>
- **51.** In the stakeholder sessions, the Committee was told "demonstration of an intersectional lens is important" but that reference to intersectionality in the Draft Strategy was given insufficient weight.<sup>57</sup>
- **52.** In contrast, Sean O'Neill advised against targeting support at particular groups: "we would guard against that, because it's clear under the UNCRC that all children up to the age of 18 have basic rights, no matter who they are". <sup>58</sup>

# **Child poverty and disability**

- **53.** Children in families with a disabled member of the household are more than three times as likely to experience material deprivation (20%) than children in families where no one is disabled (6%).<sup>59</sup>
- **54.** The Draft Strategy acknowledged this evidence in their engagement with children, young people and parents:
  - Disabled parent/carers and the parent/carers of disabled children spoke about the hurdles for claiming disability and carers benefits.
  - The parent/carers of disabled and neurodivergent children and lone parents spoke of the additional barriers they face to accessing appropriate and affordable childcare to enable them to work.
  - Parent/carers with disabled children, neurodivergent children and children with Additional Learning Needs highlighted specific barriers in terms of securing assessments and having the educational needs of their children met.
- **55.** The Children, Young People and Education (CYPE) Committee wrote to the Committee with some of the findings from its ongoing inquiry "Do Disabled

<sup>&</sup>lt;sup>55</sup> Record of Proceedings, paragraph 92, 25 September 2023

<sup>&</sup>lt;sup>56</sup> Record of Proceedings, paragraph 347, 25 September 2023

<sup>&</sup>lt;sup>57</sup> Summary of stakeholder sessions

<sup>&</sup>lt;sup>58</sup> Record of Proceedings, <u>paragraph 209</u>, 25 September 2023

<sup>&</sup>lt;sup>59</sup> House of Commons Library Poverty in the UK: statistics 2023

Children have equal rights to education and childcare?"<sup>60</sup> The CYPE Committee sets out how a lack of accessible childcare and wraparound school provision can be a barrier to work for parents and carers and have a negative impact on family incomes. They also highlighted the additional costs incurred by families because of the specific needs of disabled children.<sup>61</sup>

- **56.** Lack of targeted funding and the poor availability of inclusive childcare provision were identified as key barriers to parents with disabled children in terms of accessing employment. A quarter of these economically inactive women are not working because of family and homecare responsibilities. <sup>62</sup> In instances where there are funding shortfalls, some families who have the financial means to do so, are bridging the gap out of their own resources, reducing their household income for other essentials.
- **57.** In addition to these children not having equal access to provision, many households with disabled children also face additional costs for services, equipment and transport. The cumulative impact on families is considerable in terms of lost incomes and the adverse impacts on their health and well-being.

### Child Poverty, safeguarding and risk of entry into care

- **58.** There is a well-established link between child poverty and care experience. Latest figures show that there are now 7,080 children looked after in Wales, an increase of 23% since 2013.<sup>63</sup> The Draft Strategy references engagement with care experienced young people and kinship carers and that they spoke of the challenges of understanding and negotiating complex systems to access their entitlements.
- **59.** NSPCC Cymru expressed disappointment that the Draft Strategy makes no reference to the increased risk of child protection involvement when living in poverty.<sup>64</sup>
- 60. The Family Division Liaison Judge for Wales told the CYPE Committee:
  - "[...] families living in poverty or experiencing economic shocks which are insufficiently mitigated against via welfare support,

<sup>60</sup> CYPE Do disabled children and young people have equal access to education and childcare?

<sup>&</sup>lt;sup>61</sup> Paper to note 2.9, Correspondence from the Chair of the Children, Young People and Education Committee regarding child poverty, 10 October 2023

<sup>62</sup> Written evidence, AEC 57, Oxfam Cymru

<sup>&</sup>lt;sup>63</sup> Children looked after at 31 March by local authority, gender and age

<sup>64</sup> Written evidence, NSPCC

the risk of children being neglected, harmed or abused is increase."

- **61.** The CYPE Committee's in-depth report into radical reform of services for care experienced children urged the Welsh Government to combat these significant increases in children going into state care.<sup>65</sup>
- **62.** That report found that poverty was the most commonly cited reason for children to be removed from their parents. Researchers at the University of Liverpool reported that, between 2015 and 2020, a 1% increase in child poverty was associated with 5 additional children entering care per 100,000 in England. They described this spiralling deprivation as "major, preventable drivers of the drastic increase in children being removed from their family home and taken into care in the UK among the most drastic State interventions into families' lives".
- **63.** A Wales Centre for Public Policy report, the Analysis of factors contributing to high rates of care in Wales, looked at the relationship between deprivation and the rate of looked after children:
  - There are strong (but not necessarily causal) relationships with deprivation with more deprived areas typically having higher rates of children looked after.
  - The link between deprivation and levels of demand for children's services is well established, with 'research proposing a combination of direct factors (such as material hardship) and indirect factors (parental stress and neighbourhood condition) as the causal links.
  - Levels of deprivation are correlated with the rate of children looked after.
     The WCPP estimate that just over 53% of the variation in rates among
     LAs is linked to the differing levels of deprivation in their areas.<sup>68</sup>

<sup>&</sup>lt;sup>65</sup> Senedd Cymru, <u>If not now, then when? Radical reform for care experienced children and young people</u> 2023

<sup>&</sup>lt;sup>66</sup> Child poverty and children entering care in England, 2015–20: a longitudinal ecological study at the local area level - The Lancet Public Health

<sup>&</sup>lt;sup>67</sup> Ms Davara Bennett, Dr Gabriella Melis, Prof David Taylor Robinson Public health Researchers, University of Liverpool

<sup>&</sup>lt;sup>68</sup> Wales Centre for Public Policy, <u>Analysis of factors contributing to high rates of care in Wales</u>

# **Principle 5: Accountability**

**64.** The HRC Observatory says that "accountability is a particular area of weakness" in the Draft Strategy and that it "does not put forward clear rights-related outcome targets or progress indicators which are key to accountability". See chapter 3 of this report.

#### **Our view**

# A child poverty strategy based on children's rights

We welcome the fact that the Draft Strategy references the Welsh Government's obligations under the Rights of Children and Young Persons (Wales) Measure 2011 and specifically Article 12 participation rights. However, we note that key stakeholders believe that the Strategy should be focussed much more clearly on children's rights, the relevant individual articles of the UNCRC, and use the five 'Right Way' principles. For example it should be clear about the steps to address child poverty's negative impact on children's rights to education and health.

In terms of the CRIA, we note that it lacks a detailed assessment of how the Strategy will enhance the rights set out in the UNCRC, specific actions that will be taken relating to the individual articles, and how any negative impacts will be mitigated. We share the view of stakeholders that the CRIA to accompany the final Strategy should provide comprehensive detail in relation to these points.

Engagement with children and young people has played a welcome role in the preparatory work for the Draft Strategy. It is vital that the lived experience of children, young people, parents and carers are now translated into concrete actions. Those who participated in the engagement must see a meaningful impact of their contributions and the Welsh Government should provide direct feedback to the children and young people who took part.

We heard strong evidence from Scotland about the need to take a targeted approach to ensure that children in groups especially likely to live in poverty can access their rights, and that the approach of having six priority groups is a good starting point, although further work is needed. The Welsh Government should use official statistics and other evidence to develop a similar priority framework based on the needs of children in Wales. The strategy also needs to be much clearer about actions to address the situation for children most risk of being impacted by child poverty.

Testimony from the CYPE Committee's work on disability is particularly troubling both in terms of its impact on individuals and the way it is contributing towards further entrenching inequality and socio-economic disadvantage. It casts doubt on the resilience of the childcare sector as a whole and whether it can meet current and future needs of the population. We expect the Welsh Government to address these concerns directly in its strategy.

We note that research by the University of Liverpool has found that a 1% increase in child poverty is associated with 5 additional children entering care per 100,000. It is incumbent upon the Welsh Government to address this ethical injustice by turning its <u>commitments to radical reform of care</u> into actions to support care-experienced children.

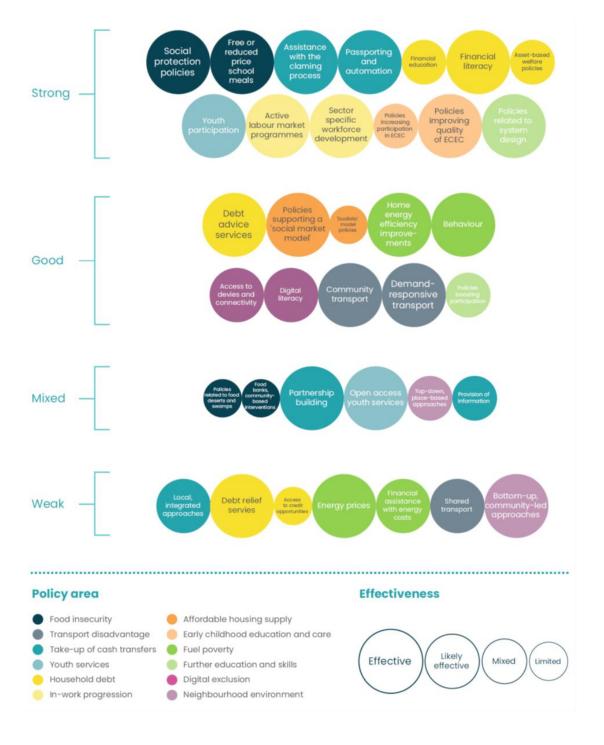
**Recommendation 2.** The Welsh Government should focus its final Strategy much more clearly on children's rights, referencing individual articles and using the five principles set out in 'The Right Way'. The Welsh Government should ensure there is direct read across between what it was told by children, young people, parents and carers, with specific priority actions in the final Strategy to address the needs of groups of children most likely to be affected by poverty.

# 4. Prioritising what works

# **Prioritising effective policy interventions**

**65.** In a report for the Wales Centre for Public Policy (WCPP), Dr Irene Bucelli and Dr Abigail McKnight set out the effectiveness of different anti-poverty policies, and the strength of the evidence:

Figure 8: Impact and strength of evidence supporting anti-poverty initiatives



- **66.** Key findings of the report included:
  - That many policy areas are inter-connected; effective strategies to address 'upstream' drivers such as increasing low incomes are required before specific interventions in another policy area can make progress.
  - That the diminished role of the UK social security system in providing an effective safety net against poverty is a recurring challenge. The report adds that while the Welsh Government does not have the powers to address these, "acknowledging their shortcomings can lead to improvements in the assistance and support that can be made available through alternative policy instruments."
- **67.** The Bevan Foundation argued that income-related measures are proven to work, and should be the main focus of the Strategy, including:
  - Increasing income by enabling family members to work sufficient hours at an adequate rate of pay.
  - Increasing income through higher social security benefits and other grants and allowances.
  - Cutting household costs by providing goods or services that would otherwise have to be purchased for free or at a reduced cost.<sup>69</sup>
- **68.** Our case studies highlight the need for long-term investment in effective interventions to reduce child poverty.

#### Scotland

The independent <u>Poverty and Inequality Commission</u> established by the Scottish Government recently <u>evaluated its progress</u> against its 2030 child poverty targets. It called for the Scottish Government to "focus on delivery, and delivering with urgency and at scale", as this is necessary to achieve its targets. In relation to funding, the Commission stated that:

"The Commission recognises the difficult financial situation and budgetary pressures, but there needs to be clarity about whether sufficient funding is going to be available to deliver the actions

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<sup>69</sup> Written evidence, Bevan Foundation

set out in the delivery plan to the necessary timescales. If the Scottish Government is committed to its national mission to tackle child poverty then it must ensure that funding is available to deliver the actions needed to meet the child poverty targets. This will require reprioritisation of spend across Scottish Government and for Scottish Government to make full use of its devolved tax powers to raise additional revenue to tackle poverty and inequality".

#### New Zealand

In August 2023, the New Zealand Government <u>released a</u> <u>memorandum</u> on achieving its child poverty reduction targets. This highlighted that "substantial investment will continue to be needed to reach the ten-year targets". Three main levers will be critical to achieving these targets:

- lifting incomes through increasing benefits and the Working For Families tax credits:
- reducing housing costs through increasing the supply of affordable and public housing; and
- addressing demands on household budgets through reducing and preventing debt, limiting inflation, providing in-kind support, and addressing higher costs faced by priority groups.

# **Scottish Child Payment**

**69.** Several witnesses, including the Children's Commissioner and Dr Victoria Winckler, claimed that the Scottish Child Payment is having a positive impact on reducing child poverty.<sup>70</sup>

<sup>&</sup>lt;sup>70</sup> Record of Proceedings, paragraph 17, 25 September 2023

## Scottish Child Payment

The <u>Scottish Child Payment</u> is a weekly payment of £25 for every child under the age of 16 and is paid every month. It is paid to families for every child under 16 that they are the primary carer for.

The payment does not affect any other UK or Scottish Government payments that a household is eligible for.

The payment is expected by the Scottish Government to play a major role in reducing child poverty, by 5 percentage points.

- **70.** The Children's Commissioner said that she would welcome the possibility of a similar payment in Wales in the medium to long-term, although she understood it would require the Welsh Government to seek more devolved powers.<sup>71</sup>
- **71.** Professor Rod Hick described the "novel and ambitious" child payment in Scotland saying it would be "highly desirable" for the Welsh Government to monitor the roll-out and impact of the payments.<sup>72</sup>

#### 72. Dr Victoria Winckler said.

"... there needs to be a more considered view—would it make a difference, or would a version of it make a difference; For example; should it be targeted on certain groups of people; how much would it cost, and where would funds come from? And it's only, in my view, when you've done that exercise that you can take a view that either this is something that really, really can't be done, or actually something that the Welsh Government might want to push for in the future".73

# Improving incomes of families in poverty

**73.** In Swansea, the Committee heard from those with lived experience of poverty of the importance of people being aware of their benefit entitlements, and the need for automated and simplified processes to help people receive what they are entitled to.<sup>74</sup> Participants said this was particularly important for people

<sup>71</sup> Record of Proceedings, paragraph 299, 25 September 2023

<sup>72</sup> Record of Proceedings, paragraph 141, 25 September 2023

<sup>&</sup>lt;sup>73</sup> Record of Proceedings, paragraph 179, 25 September 2023

<sup>74</sup> Notes from Committee's visit to Swansea

with literacy issues, and those who do not have English or Welsh as their first language.

**74.** Dr Victoria Winckler highlighted the potential of a 'Welsh Benefits System' in making it easier for households to access support:

"... rather than having to make multiple applications for the school essentials grant, for Council Tax reduction, for Healthy Start, for all the different schemes, a single application would then open the door to those other schemes. And if that is linked with a claim for universal credit or for new claims, or if there are legacy benefits from a pre-existing claim, then even that could be triggered as well. And the Welsh Government is working on a plan to deliver this Welsh benefits system. It is a big task and it will take a while".75

**75.** The challenges that households in Wales face in accessing support are not unique. Professor Mari Rege highlighted that the commission she leads in Norway is also working on these areas, as:

"Even if there are a lot of different transfers possible for the poor, we see that it's a very complicated system. It's almost hard for me to understand everything that is available and how it all adds up. Going back to..., how much stress these parents can be under, we basically have a transfer system that is not making life easier in the sense that there is more predictability and less chaos".76

**76.** Chris Birt highlighted two pilots in Scotland:

"Social Security Scotland are looking to work with the local council and with the Department for Work and Pensions, to an extent, to try and create the 'no wrong door', one-stop shop sort of thing for families".<sup>77</sup>

<sup>&</sup>lt;sup>75</sup> Record of Proceedings, paragraph 217, 25 September 2023

<sup>&</sup>lt;sup>76</sup> Record of Proceedings, <u>paragraph 39</u>, 25 September 2023

<sup>77</sup> Record of Proceedings, paragraph 76, 25 September 2023

#### **Our view**

The findings of the report by Dr Bucelli and Dr McKnight for the Wales Centre for Public Policy are particularly helpful in highlighting areas where anti-poverty spending is at its most effective. Their findings set out a clear justification for prioritising anti-poverty spending in these areas in tough times, and the Welsh Government's next budget allocations should reflect these findings.

We also agree with the Children's Commissioner that "Poverty is the biggest issue affecting children in Wales, and tackling it effectively is the Welsh Government's biggest task". Evidence from Scotland and New Zealand highlights the need for a long-term approach to tackle child poverty, with sustained investment. This will require prioritisation, taking difficult decisions, and political will to deliver the maximum impact possible within the limits of the Welsh Government's powers and finances. We consider that the Welsh Government should adopt an invest to save approach by prioritising funding to tackle child poverty in its future budgets.

The emphasis on income maximisation in the Draft Strategy is welcome. Our previous report on debt and the cost of living<sup>78</sup> underlined the importance of simplifying the system for claiming devolved payments and entitlements that families are eligible for. We look forward to an update on progress on this area of work, including on upcoming milestones and timescales for implementation, and how the Welsh Government is working with partners to address potential barriers to implementation.

There were several calls for the Welsh Government to monitor innovative developments elsewhere such as the Scottish Child Payment. Given the squeeze on Welsh Government budgets and the questions around whether the Welsh Government has the powers to do this, we realise that introducing a similar payment in Wales may not be possible in the short-term. However, more innovative solutions are worth considering in the longer term and the preparatory work needed to inform policy development should start now.

**Recommendation 3.** The Welsh Government should prioritise programmes where there is clear evidence that they are effective at reducing child poverty, and should provide sustainable funding to programmes that have proved their worth. This prioritisation should inform allocations in future budgets.

<sup>&</sup>lt;sup>78</sup> Equality and Social Justice Committee, <u>Unsustainable debt and the rising cost of living.</u> September 2023

**Recommendation 4.** The Welsh Government should provide an update on progress with the development of the Welsh Benefits System, including:

- Milestones it expects to achieve over the next year, timescales for implementing other actions, and how it plans to address barriers to implementing a coherent system such as eligibility criteria, uncertainty around data sharing, and technological challenges.
- What consideration it has given to how the pilots being run in Scotland on involving the Department for Work and Pensions can inform its work around the Welsh Benefits System.
- Analysis of how a version of the Scottish Child Payment might be introduced in Wales in the future.

The Welsh Government should clarify the timings for the bi-annual progress updates promised in response to recommendation 5 of our debt and the cost of living report.

# 5. Early years, childcare and schools

- **77.** The importance of early years interventions was emphasised throughout. Professor Mari Rege said that few tools were as effective as early years education in "breaking the cycle" of intergenerational poverty and that nurturing learning experiences are key to creating foundations for lifelong learning.<sup>79</sup>
- 78. Professor Rege highlighted that early childhood investments:

"... will give returns in the future, because there will be lower crime, they will be completing high-school education, and they will enter into the labour market. So, I think this is so important to emphasise these future economic gains for the Government, to justify investing more in young children's development opportunities".80

# Early years and the first 1,000 days

**79.** Public Health Wales highlighted the importance of early years interventions:

"Social and emotional development in the early years builds the foundation for future health and well-being across the lifecourse. There is strong international evidence indicating that the first 1,000 days is a critical time."

"Attempts to reduce inequalities across the life-course, including by reducing costs and maximising the incomes of families, must start as early as possible to have the best of chance of succeeding."81

**80.** The Royal College of Physicians said there was insufficient focus on the first 1,000 days of a child's life in the Draft Strategy and called for greater consideration of the impact of poverty on babies and toddlers. They questioned whether there was a sufficiently trained and capable workforce available to meet the demands of the expansion of Flying Start.<sup>82</sup>

<sup>&</sup>lt;sup>79</sup> Record of Proceedings, paragraph 28, 25 September 2023

<sup>&</sup>lt;sup>80</sup> Record of Proceedings, paragraph 120, 25 September 2023

<sup>&</sup>lt;sup>81</sup> Public Health Wales, <u>Children and the cost of living crisis in Wales - How children's health and well-being are impacted and areas for action</u>

<sup>82</sup> Written evidence, Royal College of Physicians

- **81.** Professor Mari Rege highlighted Norwegian health stations as a "tremendous success", and a key reason for the much higher rates of breastfeeding in Norway.<sup>83</sup> She explained that they are located within walking distance in urban areas, and are widely trusted.
- **82.** These themes were raised in our stakeholder session, with participants saying that babies were not considered sufficiently in the Draft Strategy, given the importance of the first 1,000 days. Early years and midwifery services need to be a strong universal service, with enough resource to help those who need more support.<sup>84</sup>
- **83.** Chris Birt highlighted the Scottish Government's pledge to give every baby born in Scotland their own Baby Box.<sup>85</sup> He explained the purpose of the intervention:

"Part of that is obviously to ensure that every family at the start of a child's life has access to the same necessities that we all need, whether it's nappies, thermometers, bath thermometers, all these kinds of things, basic clothing. But really, the main goal of that is to engage parents with services."

**84.** The Welsh Government committed to "rolling out baby bundles to more families" in its Programme for Government.<sup>87</sup> In Plenary on 11 October 2023, the Minister for Social Justice gave an update on the delivery of this commitment:

"in terms of bwndeli babanod, the baby bundle, it's an aim, through our Programme for Government commitment, to be offering it to more families across Wales. We hope to have a roll-out of a programme of support next year, because it is about offering that opportunity to receive essential items."88

<sup>&</sup>lt;sup>83</sup> Record of Proceedings, paragraph 12, 25 September 2023

<sup>84</sup> Summary of stakeholder sessions

<sup>85</sup> NHS Inform Scotland, Baby Box

<sup>&</sup>lt;sup>86</sup> Record of Proceedings, paragraph 16, 25 September 2023;

<sup>87</sup> Welsh Government, Welsh Government Programme for government: update

<sup>88</sup> Record of Proceedings, paragraph 54, 11 October 2023

#### **Childcare**

## Norway

The Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) have some of the lowest rates of child poverty in Europe, although these have been increasing over recent years.

While they each have differences in their approach to welfare, the universal approach taken by these five countries is often referred to as the Nordic welfare model.

A key aspect of the Nordic model is <u>universal early childhood</u> <u>education and care</u>, that is mainly government-funded with low fees based on household income. Norway's system operates on the principle that no family should spend more than 6% of their income on childcare, with costs decreasing as the number of children increases. Low-income families are eligible to receive 20 hours of free childcare per week.

**85.** Professor Mari Rege highlighted her professional experience in Norway had taught her that:

"I, at least, don't know about any more effective tool than early childhood education, to actually bring them in to childcare, where they have nurturing learning experiences that create a foundation for learning for life, which is very important. Because what research also shows—for example, Professor Ariel Kalil with the University of Chicago has demonstrated it in numerous studies—is that in opportunities to learn and be stimulated, and in just vocabulary development, there are big differences in different households, and you see there is a social gradient in how stimulating the home-learning environment is."89

**86.** Professor Rege said evidence of the impact of universal childcare is much more robust "than the more targeted childcare programmes, where it's harder to find long-term impacts". 90

<sup>89</sup> Record of Proceedings, paragraph 28, 25 September 2023;

<sup>90</sup> Record of Proceedings, paragraph 112, 25 September 2023;

- **87.** There is overwhelming evidence of the role high quality childcare can play in reversing the impacts of poverty on young children. The Effective Provision of Pre-School Education (EPPE) project the first major European longitudinal study of child development between 3 and 7 found that:
  - Pre-school experience, compared to none, enhances all-round development in children.
  - Duration of attendance (in months) is important; an earlier start (under age 3 years) is related to better intellectual development.
  - Disadvantaged children benefit significantly from good quality preschool experiences, especially where they are with a mixture of children from different social backgrounds.<sup>91</sup>
- **88.** Dr Victoria Winckler said that funding childcare needed to be prioritised, despite the Welsh Government's budgetary pressures. She wanted to see:
  - "... a seamless and affordable childcare system, which doesn't necessarily mean free. But it does mean from end of statutory maternity leave up till start of school age, and that enables parents who want to work and train to be able to work and train and doesn't force, in low-income households, one earner to drop out because they can't afford childcare".92
- **89.** Dr Winckler elaborated that:

"the broad model that we've advocated is that up to around about 15, 16 hours would be free or at a nominal cost, and that above that it would be means tested, depending on household income.".93

**90.** Stakeholders at our roundtable sessions described childcare provision as a "postcode lottery", with some arguing that provision in Wales should be expanded in the same way as is being proposed in England.<sup>94</sup>

 $<sup>^{91}</sup>$  The Effective Provision of Pre-School Education (EPPE) Project, <u>Findings from Pre-school to end of Key Stage 1</u>

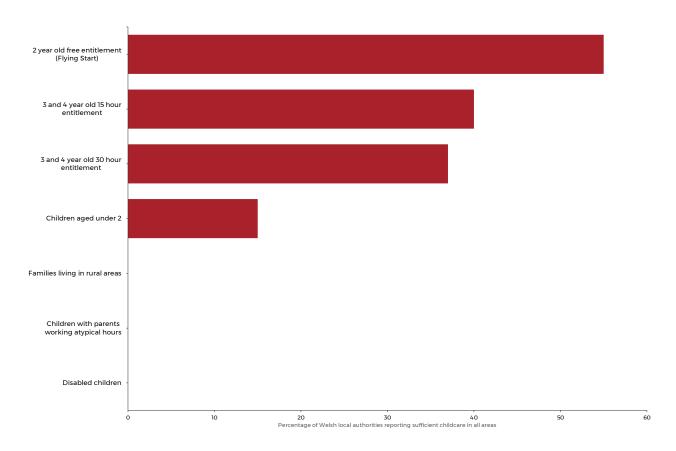
<sup>92</sup> Record of Proceedings, paragraph 192, 25 September 2023;

<sup>&</sup>lt;sup>93</sup> Record of Proceedings, paragraph 215, 25 September 2023;

<sup>94</sup> Summary of stakeholder sessions

**91.** The evidence we heard around a "postcode lottery" chimes with the latest Coram Family and Childcare report which highlights that there is insufficient childcare provision across Wales for a number of groups of children. <sup>95</sup> No local authority in Wales provides sufficient childcare provision for disabled children, children with parents working atypical hours, or for children living in rural areas (see Figure 9 – percentage of Welsh local authorities reporting sufficient childcare in all areas by group).

Figure 9 - Percentage of Welsh local authorities reporting sufficient childcare in all areas: by group 96



<sup>&</sup>lt;sup>95</sup> Coram Family and Childcare, Childcare survey 2023

<sup>96</sup> Coram Family and Childcare, Childcare survey 2023

### **Schools**

- **92.** There was generally support for the Welsh Government's flagship example of universality: Free School Meals. Ally Dunhill, Sean O'Neill and others expressed support.<sup>97</sup> This was a universal policy that took away stigma. Ally Dunhill said that a universal approach avoids situations where pupils entitled to free school meals are identified as being different to their peers, which impacts take-up.<sup>98</sup>
- **93.** Stakeholders at the roundtable sessions supported universal free school meals but expressed concerns regarding the issue of school meal debt. This included anecdotal evidence of inappropriate sanctions being used as a result of arrears. The Children's Commissioner's office has previously raised cases of children being refused school meals due to not having payment cards topped up.<sup>99</sup>
- **94.** Children in Wales support free school meals; they said that interventions which address hunger and food insecurity would be among their top priorities. They also called for a review of eligibility thresholds at secondary school pupils to be accelerated. The Bevan Foundation also wanted more action in this area.
- **95.** Sean O'Neill described the cost of school uniform as a "continuous barrier" for children and families:

"This is especially an issue where schools are insisting on having branding and logos on clothing, which requires parents to buy clothes from certain outlets, which are twice the price of unbranded clothes from supermarkets. There could be significant savings, day-to-day savings, for parents, so that they could use that money for better things than spending it on logos and school uniforms. This is something that we have the powers to do. We've got the guidance—let's get on and do it". 103

<sup>97</sup> Record of Proceedings, paragraph 110, 195, 25, September 2023

<sup>98</sup> Record of Proceedings, paragraph 75, 25 September 2023

<sup>&</sup>lt;sup>99</sup> Children's Commissioner for Wales, <u>A Charter for Change: Protecting Welsh Children from the impact of poverty</u>

<sup>&</sup>lt;sup>100</sup> Record of Proceedings, paragraph 195, 25 September 2023

<sup>&</sup>lt;sup>101</sup> Record of Proceedings, paragraph 195, 25 September 2023

<sup>&</sup>lt;sup>102</sup> Record of Proceedings, <u>paragraph 177</u>, 25 September 2023

<sup>&</sup>lt;sup>103</sup> Record of Proceedings, paragraph 196, 25 September 2023

**96.** Sean O'Neill also highlighted the importance of public transport in helping families to access education, noting that:

"... you only have to look over the bridge at Bristol, who have recently introduced free bus and train travel across the city in a bid to cut air pollution as part of their environmental strategy, but this also enables children and families who have struggled with the cost of transport to access education, to access training and employment".104

#### **Our view**

The impact of poverty starts before a baby is born. Early years interventions therefore play a crucial role in tackling child poverty and we note that the Welsh Government has made significant investment in programmes such as Flying Start. There are concerns that the Strategy does not sufficiently emphasise the importance of early years.

Given the importance of early childhood and the first 1,000 days, we agree that the Welsh Government should prioritise investments in these areas. This should include action to improve breastfeeding rates, especially in deprived communities and clarification of the Government's next steps in relation to the piloting of baby bundles in Swansea and the timetable for roll-out across the country.

Provision of high quality, affordable childcare to all is key to delivering better interventions during the early years. We heard compelling evidence from Norway in particular about the effectiveness of quality early years education and childcare in breaking the cycle of intergenerational poverty. It is critical that the Barnett consequentials resulting from increased childcare expenditure in England over the next couple of years are spent on providing quality childcare in Wales in a way that addresses these structural, intergenerational challenges. Our follow-up work on childcare we plan for Spring 2024 will explore this in more detail.

**Recommendation 5.** The Welsh Government should commit to funding seamless and affordable childcare provision through the Barnett consequentials it will receive from increased childcare spending in England. It should develop plans for doing this by July 2024.

<sup>&</sup>lt;sup>104</sup> Record of Proceedings, paragraph 168, 25 September 2023

**Conclusion 1.** We intend to follow-up on our work on childcare in Spring 2024. As part of this work, we will explore how quality childcare provision can be delivered in a way that tackles child poverty, and will give further consideration to how we can ensure that the government takes action to address the inequities faced by children and young people with disabilities.

# 6. A Minister for Babies, Children and Young People

## Lack of a coherent strategy

- **97.** There was concern from witnesses about the lack of coherence in the Welsh Government's strategic approach to tackling child poverty.
- 98. The HRC Observatory at Swansea University said:

"it does not articulate a clear strategic framework to identify, prioritise, plan and implement actions, allocate resources, develop outcome targets, or monitor progress and promote accountability for interventions to tackle child poverty in Wales, now and in the future".<sup>105</sup>

- **99.** A key concern was that the Draft Strategy read more like a list of what the Welsh Government is already doing. The Children's Commissioner for Wales said it:
  - "... doesn't really spell out exactly what, how, when or who will actually deliver against those different policies in order to reduce and eradicate child poverty." 106
- 100. Colleges Wales said it:
  - "... offers a list of relevant policy initiatives, as opposed to clear targets, measurable indicators and robust monitoring and accountability mechanisms, as to who will deliver against those different policies in order to reduce and eradicate child poverty".<sup>107</sup>

# Co-ordinating children's policy across government

**101.** There have been different approaches taken by Welsh governments in terms of ministerial responsibility for children. In previous governments, there has

<sup>&</sup>lt;sup>105</sup> Written evidence, Observatory on Human Rights of Children

<sup>&</sup>lt;sup>106</sup> Record of Proceedings, <u>paragraph 261</u>, 25 September 2023

<sup>107</sup> Written evidence, Colleges Wales

sometimes been a dedicated ministerial or deputy ministerial post specifically focused on children.

- **102.** Under the current arrangements, the Minister for Social Justice has responsibility for tackling child poverty within the Welsh Government, while the Deputy Minister for Social Services and the Deputy Minister for Mental Health and Wellbeing lead on children's issues.
- **103.** Responding to the debate on the Children's Commissioner's annual report in Plenary on 17 October, the Minister for Social Justice said that "responsibility for children's rights lies with every member of the Cabinet". <sup>108</sup>
- **104.** During our visit to Swansea, the Committee heard that a dedicated Minister for Children would make a difference as there is currently no single person in the Welsh Government responsible for babies, children and young people. Concerns were also expressed that this is an issue in the civil service, with departments being reshuffled regularly, resulting in upheaval and the loss of knowledge and expertise.<sup>109</sup>
- **105.** The Children's Commissioner called for "ultimate accountability" to lie with "an individual Minister who can provide drive and leadership across government", and noted that the WCPP report identified this as best practice. 110
- **106.** Dr Rhian Croke argued that high-level accountability for tackling child poverty is required, and suggested that the First Minister should lead on this:

"the First Minister should have ultimate responsibility. This is such a grave and serious issue, and maybe he should have oversight of delivery and accountability of child poverty. However, it should be made clear, all the different levels of ministerial responsibility across all the different portfolios, because of course child poverty is multifaceted, cuts across all children's rights, and those clear lines of accountability should be laid out."

<sup>&</sup>lt;sup>108</sup> Record of Proceedings, paragraph 492, 17 October 2023

<sup>109</sup> Notes from Committee's visit to Swansea

<sup>&</sup>lt;sup>110</sup> Written evidence, Children's Commissioner for Wales

Record of Proceedings, paragraph 358, 25 September 2023

## **International approaches**

**107.** Several countries have dedicated Cabinet-level ministers for children with a range of different remits:

- Denmark has a Minister for Children and Education.<sup>112</sup> The Minister's remit does not cover child poverty, which is the responsibility of the Minister for Social Affairs and Housing.<sup>113</sup>
- Germany has a Federal Minister for Family Affairs, Senior Citizens, Women and Youth.<sup>114</sup> The portfolio includes responsibility for children's rights, equal opportunities for children and young people, and child poverty programmes.<sup>115</sup>
- Ireland has a Minister for Children, Equality, Disability, Integration and Youth.<sup>116</sup> However, the Taoiseach has also established a Child Poverty and Well-being Programme Office within his department to co-ordinate actions across government to reduce child poverty and foster children's well-being.<sup>117</sup>
- Norway has a Minister for Children and Families, whose remit does not cover education, for which there is a separate Minister.<sup>118</sup> The Minister is also responsible for tackling child poverty, and appointed an expert group to advise on this in 2022 (is led by Professor Mari Rege, a witness in this inquiry).<sup>119</sup>

#### **Our view**

The lack of ambition and targets set out in previous chapters has led to a lack of coherence and co-ordination in the Welsh Government's approach to tackling child poverty. This is exemplified by stakeholders' concerns that the Draft Strategy simply lists existing government activity, rather than the coherent strategic vision that is required to address this long-standing and persistent challenge.

<sup>112</sup> Danish Government Ministry for Children and Education, The Minister

<sup>&</sup>lt;sup>113</sup> Danish Government Ministry for Social Affairs, Housing and Senior Citizens, <u>Responsibilities of the Ministry</u>

<sup>114</sup> Federal Government, Federal Minister for Family Affairs, Senior Citizens, Women and Youth

<sup>115</sup> Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, Children and Youth

<sup>&</sup>lt;sup>116</sup> Irish Government, Department for Children, Equality, Disability, Integration and Youth

<sup>117</sup> Irish Government, Child Poverty and Well-Being Programme Office

<sup>&</sup>lt;sup>118</sup> Norwegian Government, Ministries

<sup>&</sup>lt;sup>119</sup> University of Stavanger, Mari Rege will lead an expert group for children in poverty

A number of fundamentally important policy areas are also omitted without a clear justification. They include health inequalities, closing the educational attainment gap, the provision of nutritious food for children and young people and public transport. The Welsh Government should urgently address these concerns. However, wider change is also required to deliver the co-ordinated, ambitious approach needed call time on child poverty.

To strengthen the hand of the Minister responsible for this area in co-ordinating efforts in this vitally important area, we consider that the Welsh Government should have a dedicated Minister for Babies, Children and Young People. This role should incorporate overall responsibility for tackling child poverty and implementing children's rights with other key areas such as childcare and supporting families.

It would be unrealistic to expect a Cabinet reshuffle to happen straight away to implement our report's recommendations. Therefore, we are not calling for this to happen immediately, but rather at the next available opportunity. We also appreciate the current limit on the number of Ministers under the *Government of Wales Act 2006*, and note that increasing this limit is one of the aims of Senedd reform legislation.

However, the major changes we call for in our report need to commence immediately. As an interim measure, the First Minister should take responsibility for tackling and reducing child poverty, until a dedicated Minister for Babies, Children and Young People is appointed.

**Recommendation 6.** At the earliest available opportunity, the Welsh Government should improve coordination across government of its efforts to tackle child poverty by appointing a dedicated Minister for Babies, Children and Young People with responsibility for tackling child poverty. In the interim, the First Minister should take responsibility for this area, as is being done in Ireland and has previously been done in New Zealand.

# Annex 1: List of evidence gathering sessions.

The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the Committee's <u>website</u>.

Date	Name and Organisation
25 September 2023	<b>Dr Ally Dunhill</b> Eurochild
	Professor Mari Rege
	University of Stravanger, Norway
	Chris Birt
	The Joseph Rowntree Foundation
	Dr Victoria Winckler
	Bevan Foundation
	Sean O'Neill
	Children in Wales
	Professor Rod Hick
	Cardiff University
	Rocio Cifuentes
	Children's Commissioner for Wales
	Dr Rhian Croke
	Children's Legal Centre, Swansea University
2 October 2023	Private stakeholder session
9 October 2023	Visit by the Committee to the Swansea Poverty Truth Commission and Families First

# Annex 2: List of written evidence

The following people and organisations provided written evidence to the Committee. All Consultation responses and additional written information can be viewed on the Committee's website.

Reference	Organisation
СР01	Bevan Foundation
CP02	Children's Commissioner
СР03	Colegau Cymru
СР04	Equality and Human Right's Commission
CP05	NSPCC
СР06	Observatory on Human Rights of Children
СР07	Professor Rod Hick
СР08	Royal College of Physicians
СР09	Tenovus Cancer Care