



**NOTTINGHAM
CHILDREN'S
PARTNERSHIP**

PROUD OF NOTTINGHAM'S CHILDREN & YOUNG PEOPLE

Title of paper:	Developing a child poverty strategy for Nottingham	
Report to:	Children's Partnership Board	
Date:	25.05.2011	
Accountable Officer:	John Yarham, Director of Economic Innovation and Employment, Nottingham City Council	Wards affected: All
Contact Officer(s) and contact details:	John Yarham, Director of Economic Innovation and Employment, Nottingham City Council	
Other officers who have provided input:	Susan Heath, Principal Analyst (GIS) Heidi Leung, Intelligence Manager Commissioning and Insight, Children and Families	
Relevant Children and Young People's Plan (CYPP) objectives(s):		
Stronger safeguarding – With a key focus on ensuring that there are high standards of safeguarding across all agencies and that the Partnership takes a proactive approach to the elimination of domestic violence.		X
Healthy living – With a key focus on increasing the proportion of children and young people who have a healthy weight.		X
Reducing substance misuse – Partnership work to lessen the impact on children of parental drug and alcohol misuse and to reduce drug and alcohol misuse amongst children and young people.		X
Raising attainment – Raising the attainment levels and increasing engagement in employment, education and training.		X
Improving attendance – Improving rates of attendance at both Primary and Secondary as a key foundation of improving outcomes.		X
Summary of issues (including benefits to customers/service users):		
<p>Child poverty is an issue that cuts across the whole of the Children's Partnership. The development of a strategy to significantly reduce child poverty aims to achieve this through its impact upon the inter-generational cycle of poverty that results in low attainment levels, poor health and worklessness being perpetuated for Nottingham's most deprived citizens.</p> <p>This paper provides an update for the report to the Board and outlines the national and local findings into factors affecting child poverty; findings which will be included in Nottingham City's child poverty needs assessment and strategy.</p>		
Recommendations:		
1	That the changing context of child poverty is recognised, with Government placing more emphasis upon the wider implications of poverty such as education and health alongside the previous Government's focus upon material deprivation.	
2	That the emerging structure for the child poverty strategy, where links between existing strategies are made, is endorsed.	
3	That the potential impact of the Government's welfare reforms is considered and appropriate steps are taken to reduce the impact of the changes.	

1. BACKGROUND AND PROPOSALS

The Child Poverty Act 2010 was the final act of Parliament that was passed by the Labour Government and established a range of measures designed to accelerate the progress in tackling child poverty. The act required local authorities to produce a needs assessment and strategy for combating child poverty, which was defined by a range of factors all associated with relative material deprivation.

The coalition Government has outlined their commitment to reducing child poverty and is not planning to repeal the act. However, the definition of child poverty that is now intended to be applied is far broader than previously, with child poverty defined by a wide range of measures rather than just material deprivation.

A national child poverty strategy, 'A new Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' lives' was launched on 5th April 2011 by the Secretary of State for Work and Pensions, Iain Duncan Smith. This strategy seeks to reduce child poverty by:

- Supporting families to achieve financial independence
- Sustaining family life and increasing children's chances
- Early intervention in foundation years
- Focusing on children's school years and disadvantaged pupils
- Improving university access and availability of Apprenticeships
- Tackling risky behaviour and health inequalities
- Directing local authorities to resources to help with the creation of child poverty strategies.

Work is currently taking place to finalise the strategic needs assessment of child poverty in Nottingham City, which will inform the child poverty strategy. This strategy will be based on ensuring that the most disadvantaged families in Nottingham receive appropriate and coordinated support to:

- enter and remain in employment;
- have sufficient disposable income, and
- have the parenting skills required to care for their children.

The strategy will outline how these objectives can be achieved through the connection of several existing or emerging strategies, most notably:

- 1) Financial inclusion strategy, involving partners that work with disadvantaged families to ensure that support is effectively coordinated.
- 2) Family support strategy, which has been developed by the Family Community Teams directorate of Nottingham City Council and is designed to support the most disadvantaged families to prevent children and young people from requiring higher levels of intervention such as entering the care system.
- 3) Employment and Skills strategy, which is governed by the Working Nottingham theme partnership and connects the range of activity delivered by Jobcentre Plus, Nottingham City Council and other organisations such as the voluntary and community training sector.
- 4) Early intervention strategy, which will target the families most at risk of being caught within the poverty trap and is explicitly referred to within national government strategy.

The remainder of this report will highlight the current thinking behind the production of a localised child poverty needs assessment, present a number of national and local findings to date and also set out the next steps for the consideration of the Children's Partnership Board.

1.1 Initial Findings

1.1.1 Nottingham City Demographics

The latest release of national deprivation indices¹ ranks the city as the 20th most deprived local authority in terms of multiple deprivation². This marks a gradual improvement from the city's position as the 7th most deprived local authority in 2004 and the 13th most deprived in 2007.

Nottingham has a young population, with over 58,000 or 19% of Nottingham's population under the age of 16³.

1.1.2 Changing Measures

The Governments' new Social Mobility and Child Poverty Commission will "monitor progress against a broad range of indicators on child poverty, life chances and social mobility". The government has grouped these into three strands under the headings of Family Resources, Family Circumstances and Children's Life Chances. Initial findings are presented under these headings but the final needs assessment will include additional local level data, engagement materials and will be structured around the following four key building blocks:

- Family and life chances
- Employment and adult skills
- Place and delivery
- Financial support

1.1.3 Indicators – Family Resources

The following list relates to all the family resources listed in the Government's new child poverty strategy:

- Relative Low Income;
- Absolute Low Income;
- Combined Low Income and Material Deprivation;
- Persistent Poverty and
- Severe Poverty

End Child Poverty's *'Child Poverty Map of the UK' (Part 1: England; March 2011)*, is based on tax credit estimates and is closely aligned to the Relative Low Income measure. On this measure, 37% of children in Nottingham are 'in poverty' placing the local authority tenth highest in England. The national figure is 21%.

Severe poverty is where the household income (minus deductions as above) is below 50% of the median income. Save the Children analysis found that Nottingham has 23% of children in severe child poverty, (*Severe Child Poverty: Nationally and Locally, February 2011*). This ranks Nottingham City in 6th place and also ranked higher on this measure than the relative low income measure, meaning a higher proportion of our poor children live in severe poverty.

Major risk factors for severe poverty are identified as worklessness, lone parent households, housing tenure, households with a disabled adult, parents aged under 25, and ethnicity, where severe poverty is likely for 30-35% of children from Pakistani, Bangladeshi and Black African households. Of families with at least one working adult only 6% are likely to be affected by severe poverty unless there are three or more children in the household when this risk rises to 11%.

¹ Indices of Deprivation 2010, publish March 2011

² Indices of Deprivation 2010 – Compendium for Nottingham City, April 2011

³ GP Registration data, May 2010

1.1.4 Indicators – Family Circumstances

The new national strategy recommends a breakdown of child poverty family resources to be based on three measures:

- children in workless households;
- children in working households experiencing relative low income
- transition from childhood to labour market

The local authority's Child Poverty in Nottingham (2010) report notes that 41,000 or 68.4% of Nottingham City 0-18 year olds live in such households. 21,030 (34.7%) are in workless households and 20,390 (33.7%) in low income households. These rates are much higher than neighbouring authorities, the East Midlands or England. At a household level, HMRC figures consider 10,830 Nottingham City households to be workless and 11,350 to be 'low income'.

More recently, claimant data based on the Job Seekers Allowance (JSA) shows that unemployment in the city peaked in February 2010 but by June 2010 had fallen by 1400 people. It is not possible to determine at this stage whether households who have a working adult as a result of this latest fall have moved out from workless to low income poverty or out of poverty overall.

The transition from childhood to labour market is measured by the Department for Work and Pensions using Labour Force Survey data on 18-24 year olds. This is not currently available for Nottingham City and the closest equivalent is 'NEET' data (the proportion of 16-18 year olds not in employment, education or training). On this measure Nottingham is improving, with the proportion of Year 11 school leavers who are 'NEET' falling from 10.2% in 2006 to 5.7% by September 2010. In September 2010, 5% of all 16-18 year olds were 'NEET' compared to 6.9% in the East Midlands and 7.4% nationally. Nottingham's performance on this measure is better than all other statistical neighbours and core cities.

Housing issues are central to family circumstances data shows that the city has 34,342 Housing Benefit claimants. Proposed changes to housing benefit will reduce the amount of Local Housing Allowance available to some households by between £5.50 and £63.29 per week. Housing benefit will also be reduced where sharing with non-dependents (making it more likely that some young adults will be asked to leave home), or where on JSA for 12 months or more. Lone parent households who are moved to job seekers allowance when their youngest child attains 5 years will also be subject to this reduction. Citizens who have been in receipt of JSA and Housing Benefit for 12 months or more may also experience a cut in housing benefit. Families receiving support for mortgage interest will also see their payments fall as interest rates are calculated on a lower average mortgage rate.

Both transience and overcrowding may increase if families can no longer afford their existing accommodation. Movements of families between areas in the city with accompanying changes of schools has previously been identified by a local authority scoping meeting as having a negative impact on educational attainment.

1.1.5 Indicators – Children's Life Chances

Measuring children's life chances is a key development in a broad based poverty analysis with information pertaining to attainment gaps, teenage pregnancy and young offending.

i) Attainment gaps

The national child poverty strategy focus is on the 'attainment gap' between children eligible for free school meals and those not eligible for free school meals.

Overall Nottingham does relatively well on the free school meal attainment gap compared to regional and national findings but this can hide lower levels of attainment overall by non FSM children, many of whom may be living in low income working households not eligible for free school meals. The gap between overall attainment of Nottingham pupils and regional and

national peers also widens between Key Stage 2, Key Stage 4 and A' level equivalent measures, with implications for subsequent employment and earnings.

ii) Teenage Pregnancy

Teenage conception rates in Nottingham have been falling steadily but remain higher than in most Local Authorities. In 2008, Nottingham had the 11th highest rate by Local Authority at 61.8 conceptions per 1,000 females aged 15-17 for the last complete year of data. By 2009 this had fallen to 58.5 conceptions/1000 females aged 15-17 years. Some Nottingham wards have under-18 conception rates twice the national average. 15 of our 20 wards have rates that are within the highest 20% of wards in England. Five 'hotspot' wards with the highest rates of teenage pregnancy have been identified as Aspley, St Ann's, Bestwood, Bulwell and Bilborough. About half of the under 18 conceptions in Nottingham are to young women in these five wards.

Local specialist outreach services have been mapped against ward based teenage pregnancy data and this is being used to further develop services, highlighting further need in the Aspley /Bilborough area.

iii) Youth Offending

Youth Offending data from the Police National Computer recording young people aged 10-17 years receiving their first reprimand, warning or conviction, appears among the national life chances indicators. This is published by the DfE at district level as a rate per hundred thousand young people. In 2009, the rate for Nottingham was 2,010, for the East Midlands 1,320, and for England 1,472.

1.2 Changes in Government Policy

1.2.1 Welfare Reform

Changes announced to the benefits system by the coalition government will have a major impact on most Nottingham City families. Although it is not yet possible to measure these impacts directly, 20% of Nottingham's working age population claim Employment Support Allowance (ESA) and Job Seekers Allowance (JSA). Wards with the highest percentage of claimants include Bilborough, Aspley, Bulwell, Bestwood and St Ann's with further 'hot spots' in Dales and Mapperley wards.

Welfare reform changes most likely to affect low income or workless households include the:

- Removal of the education maintenance grant (EMA);
- reductions to housing benefits;
- freezing of child benefit for three years from 2011;
- abolition of Health in Pregnancy and Sure Start maternity grants and
- the compulsory transfer of claimants from Income Support (IS) to JSA once their youngest child reaches the age of 5 years.

Given the high risk of lone parent households experiencing severe poverty, the compulsory transfer of claimants from Income Support (IS) to JSA once their youngest child reaches the age of 5 years, has implications for support services providing childcare, training, careers support and sufficiently paid openings in the local jobs market.

It is proposed that a local analysis of the welfare changes is conducted as more data becomes available.

1.2.2 Introduction of the Pupil Premium

The introduction of the Pupil Premium as a means of allocating additional funding to schools with poorer pupils is based upon a number of pupil-related characteristics. One such criterion is pupil free school meal eligibility. Based on free school meal figures for pupils attending Nottingham City Schools, the latest Pupil Premium figure of £430 per pupil indicates an additional £4.1m of funding to be distributed to the city's schools.

Whilst this is welcomed additional funding, the local authority also recognises that a school meal take-up is not always consistent with patterns of deprivation in the city which could indicate possible under-claiming of free school meals and a corresponding loss of the pupil premium. A number of discrete projects are already in place to increase the uptake of free school meals but it is proposed that a co-ordinated approach be included in the local authority's child poverty strategy.

Additionally, children of families in receipt of Working Tax Credits are not eligible for free school meals. Up to 20,390 children and young people from low income families who are potentially living in poverty may not have the additional premium allocated to their school. They are therefore less likely to receive the enrichment activities, wider opportunities and increased access to family learning that the pupil premium is designed to deliver.

1.3 Developing a Child Poverty Strategy for Nottingham City

Work is currently taking place to finalise the strategic needs assessment of child poverty, which in turn will inform the development of a child poverty strategy for Nottingham. This strategy will be based on ensuring that the most disadvantaged families in Nottingham receive appropriate and coordinated support.

The strategy will outline how this aim can be achieved through the connection of several existing or emerging strategies, most notably:

- 1) Financial inclusion strategy, involving partners that work with disadvantaged families to ensure that support is effectively coordinated.
- 2) Family support strategy, which has been developed by the Family Community Teams directorate of Nottingham City Council and is designed to support the most disadvantaged families to prevent children and young people from requiring higher levels of intervention such as entering the care system.
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2 RISKS

The main risk associated with this work is the lack of ability to influence change. A combination of the current economic climate and government cuts to public funding mean that the conditions by which significant reductions to the number of families living in child poverty can be made are not favourable. A risk therefore exists that time will be spent developing and implementing a strategy that has little impact upon Nottingham's citizens. It is because of this factor that the planned strategy will draw heavily on co-ordinating existing or emerging strategies rather than looking to create a completely new approach to the issue.

3 FINANCIAL IMPLICATIONS

There are no significant financial implications of this work to the Children's Partnership, other than that of the staff required to pull together the needs assessment and strategy. The main financial considerations are those relating to the individual parents, children and families affected by the changes being brought about at a national level.

4 LEGAL IMPLICATIONS

There are no legal implications to consider for the Children's Partnership. A legal challenge is currently being mounted against the government for their scrapping of the EMA.

5 CLIENT GROUP

The client group that this work is focused on is the wide range of families in Nottingham that either are in poverty or at risk of entering poverty. The definition of this group is currently established through the relative material wealth of the household but this is likely to change to encompass a broader definition of child poverty in the future.

6 IMPACT ON EQUALITIES ISSUES

There are many equality related issues to be considered in the development of a child poverty strategy. These will be explored fully within the strategic needs analysis.

7 OUTCOMES AND PRIORITIES AFFECTED

Strategic Objective 5 - Reducing Child Poverty.

8 CONTACT DETAILS

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