

Work and Pensions Committee

Oral evidence: Children in Poverty: Measurement and Targets, HC 188

Wednesday 12 May 2021

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[Watch the meeting](#)

Members present: Stephen Timms (Chair); Debbie Abrahams; Siobhan Baillie; Steve McCabe; Nigel Mills; Selaine Saxby; Dr Ben Spencer; Chris Stephens; Sir Desmond Swayne.

Education Committee Members present: Dr Caroline Johnson; Kim Johnson.

Questions 45 - 82

Witnesses

I: Gavin Mullin, Commissioning Officer (Children and Families) at Cambridgeshire County Council and Peterborough City Council; Charlotte Ramsden, President of Association of Directors of Children's Services, Strategic Director for People, Salford City Council; and Will Tuckley, Chief Executive at London Borough of Tower Hamlets.

II: Peter Tutton, Head of Policy, Research and Public Affairs at StepChange; Sabine Goodwin, Co-ordinator of Independent Food Aid Network; and Una Summerson, Head of Policy and Public Affairs at Contact—for families with disabled children.

Written evidence from witnesses:

[CPM 0008 Association of Directors of Children's Services Ltd](#)

[CPM 0026 London Borough of Tower Hamlets](#)

[CPM 0038 StepChange Debt Charity](#)

[CPM 0012 Scope, Family, Fund and Contact](#)

Examination of witnesses

Witnesses: Gavin Mullin, Charlotte Ramsden and Will Tuckley.

Q45 **Chair:** A warm welcome to everybody to this meeting of the Work and



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Pensions Select Committee, in which we are taking evidence for our inquiry on children in poverty. Welcome particularly to all the witnesses who have joined us for the two panels we are going to be hearing from this morning. I will start by asking each of the three witnesses on the first panel to very briefly tell us who they are, starting with Will Tuckley.

Will Tuckley: Good morning. My name is Will Tuckley. I am the Chief Executive of the London Borough of Tower Hamlets.

Chair: Thank you very much for joining us.

Gavin Mullin: My name is Gavin Mullin. I work in the children's commissioning team in Cambridgeshire County Council and Peterborough City Council.

Chair: Thank you.

Charlotte Ramsden: Good morning. I am Charlotte Ramsden. I am the Strategic Director for People in Salford and I am here as the President of the Association of Directors of Children's Services.

Q46 **Chair:** Thank you very much for joining us as well. I have the first question, which I would like to put to each of you. Do you think that poverty is best measured by a single figure, such as income, or by a basket of measures? Has there been much impact on local authorities from the scrapping in 2016 of the duty on local authorities to prepare local child poverty strategies? If so, what has the impact of that been? Could you all comment on those two points? I will start with Will Tuckley.

Will Tuckley: We like a range of measures of child poverty. What we have found is that a relative measure is probably more useful to us than an absolute measure. Partly, we take that from the evidence that we see around us and what our local residents tell us. We have a poverty commission in Tower Hamlets.

We have been talking to young people and the things that they talk about are often relative issues. For example, what has been most prominent in our recent discussions is digital exclusion. They contrast their access, the devices that they have access to, the internet access that they have, the wi-fi access, with others. Similarly, they contrast their living conditions and particularly—a vital issue for Tower Hamlets—issues around overcrowding in housing within the borough.

The young people tell us that they have a lack of space. They have to do homework and engage in Teams or Zoom calls alongside their siblings, and that causes them some difficulties. Those relative measures are really important.

I would say that an oversophisticated measure does not necessarily add value to us in trying to target efforts locally in order to try to alleviate some of that poverty. A range of measures is useful. Income in particular, I suppose, is at the heart for us of these issues, but surrounding features are also useful. Because we are not just interested



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in the economic wellbeing of children, we are interested in their wider welfare as well, how happy they are, how content they are, the wider definition of their wellbeing.

On your second question about an obligation to have an antipoverty strategy or a strategy to address children's poverty, I think that has been a deficit at a national level since that was removed. It has not made a huge difference to the efforts that we have exerted at a local level, but it has probably meant that there is less directed support from central government and less infrastructure at a national level to assist us in that task.

Gavin Mullin: I guess we are not in a dissimilar position to Will. We also would say that an absolute figure of income is not the only way that we would judge child poverty. Cambridgeshire is quite a diverse area and, if we look at a difference from the more affluent areas to the more deprived areas, the difference in housing costs more than offsets the difference in income for a lot of families. You get families who might be earning more money, but because their housing costs are so much higher they have less disposable money and more financial issues. Those children are then further into that poverty than those who are perhaps earning a bit less.

There are a number of other factors that we would look at within Cambridgeshire to decide whether or not families are in poverty. We have a group set up to look at fuel poverty, for example, where families spend more than 10% of their income on fuel. We look at statistics around domestic violence and we know that if our families are suffering from poverty they are 20% more likely to be in a family that has domestic violence.

We also try to use a more rounded approach to judge whether or not families are in poverty. Within those measures, we would also use positive measures, various things that are going on within the community that perhaps lift children who might appear to be in poverty just above that poverty line.

On the second part of your question, we do not have a poverty target in Cambridgeshire now. We have what we call a poverty commitment, which sets out all the different things that we are going to try to do, how they are working and what we are going to add from the last year. We refresh that regularly, which gives us a bit more flexibility because we can put in longer-term measures and focus on some of the things that we know will work in the longer term without perhaps having to worry in the same way about whether we are going to just focus our resources on those things that are going to make the immediate difference. We can focus on that longer-term thing. There is a positive to not having a target, but we would say that there are also some negatives. It is more difficult to benchmark and—like Will said—there is less structure coming in from above to support some of the things that we are trying to do.



Charlotte Ramsden: We would also say that we need a basket of indicators to understand what poverty really is and how to support people to get out of poverty. While it is helpful to have a poverty line as a line in the sand, we cannot measure poverty purely by that. We would look to understand the relationship to that in terms of how far below that poverty line people are, but very much also looking at things like persistence, how long people remain in poverty and—as was just said by Gavin—that link to the inescapable costs, the costs of housing and fuel. Those things are critical to understand not just the income that families have but the essential requirements that they need in order to live a life where they can meet their essential costs.

It is important to link in the drivers of poverty, so the ability to access work that pays, which means that people can afford to care for their family and have a reasonable level of income and the education and skills that go with that. We need something that tells us where people are at in terms of income, how that relates to their expenditure and that essential need to live but, also, how that relates to the drivers of poverty for the longer term. We need to be able to mitigate poverty in the shorter term but we need to address the drivers of poverty for the longer term. We cannot do those two things in isolation from each other.

On the impact on the local authority from the removal of that duty, as has already been said, I think that local authorities and partners remain very committed to alleviating poverty and doing everything they can to mitigate it and address those drivers. Yes, that sense of doing that with that level of oversight has obviously changed. Again, we cannot look at that in isolation from other things that were happening at the same time. That duty was removed at the same time as there were significant changes to the welfare benefits available to mitigate poverty.

That also had a very significant impact on people's experience of poverty, which has continued over the last few years. In addition to that, local authority budgets were significantly under pressure, so again the ability of local authorities to alleviate poverty in the way that they wanted to was also reduced. It is not a simple case of the removal of that duty leading to those issues. There were a range of issues that have led to the increase in poverty that we are very clearly seeing at the moment.

Q47 **Dr Spencer:** Thank you for your answers so far on the question of how you measure poverty. This issue has come up quite a bit in a lot of our previous sessions. When they talk about how they measure poverty, some people have used a very narrow definition that is purely about finances, whether that is absolute or relative. Some people have used a very broad definition, which includes what I think Charlotte described as drivers of poverty or effects from poverty. Those drivers or effects are either used within the definition of poverty as a broad definition of poverty or they are sometimes separated out as areas of interest that are related but not within what one is defining as poverty. Excuse the long run into my question.



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There has been quite a debate about how people should approach this and I have to say that in previous evidence sessions when people are talking about poverty, I get quite confused as to what definition they are talking about when they are describing it.

In particular, we have had a bit of a debate over whether the inclusion of drivers or effects of poverty within a broad poverty measure is a useful thing or not. On the one hand, it enables you to make a political decision about what your priorities are, whereas some people have said that that means that you can also make a political decision to focus on things that you know you can change and perhaps not look at things in the round.

If we could go back to all the witnesses again, based on that could you explain how you are using it yourselves? Would you see our definition of poverty as a very narrow financial model? If using a broader definition, within that definition are you including drivers or effects or are you seeing those as separate areas of interest in how you are doing your policy making? Perhaps speak a bit about the challenges of using multiple measures and keeping the politics out of it, or not, or the benefits of bringing the politics into it.

Charlotte Ramsden: It is complex—I do not think that anybody would disagree with that—as to how we tackle this in the most effective way.

For us, our first and most urgent thing is to mitigate the most immediate impact of poverty. That is about understanding the income that people have. That is either a benefits income or a low-paid work income, which means they do not have sufficient income to meet their essential financial needs.

Mitigating that is absolutely critical. Enabling them to live within the means they have or to find ways to urgently mitigate that is the most immediate thing that we are involved in. It is understanding what their income is, whatever the source of that, understanding what their essential outgoings are, and then finding ways to mitigate the difference in order that people remain in suitable accommodation and that they can feed and clothe themselves and have a level of warmth. Those are the absolute basics.

Beyond that, the next stage is to say, “How do we enable people to get out of poverty?” That goes back to the ways we can support people around their education and skills, better job opportunities, increase of pay for jobs that they do, and greater security of income.

How do we support the other pressures that come partly as a result of living in poverty? Again, it is a cyclical argument, so that may be family dysfunction, it may be drug issues or it may be abuse issues. We need to mitigate those issues as well and those become part of the measure.

Have we enabled people to stay in their home with sufficient income that they can live day to day? That is the first success. The second is what are we doing as a collective to support them to move on? That is much



harder. Both of those things are difficult. That is why we need the basket of indicators, both that immediate mitigation but also the ability to have medium and long-term plans to help people to move on from the situation that they are in.

Q48 Dr Spencer: I know that it is a complex area but the definitions here are critical, particularly when we are putting together a report. When you talk about poverty, do we take that to mean your narrow definition of the financial side or are you including all those other metrics within that?

Charlotte Ramsden: It is both. In terms of the reality of income, the benefit changes that have happened over the last few years have reduced in real terms the income that is available to families. Obviously, we had the spare bedroom tax issue. We have had the reduction in the benefit cap. We have had the two child policy issues.

All of those mean that the actual income available to families on benefits has reduced. That has a particular impact on families with three or more children and it has been a major crisis for families who were already poor. We cannot ignore that because if we ignored that and did not find ways to support them, they would be homeless.

I can talk Salford specific here, where the impact of those benefit changes—which we were able to track through housing benefit, not through DWP information—meant we had families in Salford on 50p a week housing benefit. If we had not intervened, those families would have been homeless. The actual financial income that they have—and the same calculations need to be done for people in low-paid work—is critical to understand the immediacy of the issue. We cannot get away from that.

Equally, as a Director of Children’s Services, I am very invested in the causal impact of poverty and the ability to move families out of poverty or to protect them sufficiently to enable their children for the next generation to move out of poverty.

That is where longer-term planning around education and skills, support for families in the way that they function and providing opportunities and quality of experience gives those children the opportunity to lead different lives and move out of poverty, where their parents have been in poverty. That is very much the investment. It is not an either/or; it has to be both.

Gavin Mullin: I agree with a lot of what Charlotte has said. We would also look at both income as a whole and then some of the other metrics. We would probably do that generally within two different workstreams. We have advice and guidance in a money support scheme for people who maybe need some help with benefits and some upskilling around how they manage their money. They might get some grant support if they need certain items that they cannot afford at the time.



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That is for those people who are hitting crisis point, of which fortunately within Cambridgeshire we have quite a low percentage. Pre-Covid we had a low percentage of residents claiming unemployment benefits, which obviously—as in the whole country—has been changing over the last year. We still have a relatively low percentage of people claiming unemployment.

What we do have, though, is an ever-growing number of people who are in low-paid jobs or on zero-hour contracts. They often fall into the same category as a lot of our unemployed residents, whereby they can quite easily find themselves at that crisis point where they need additional support in that way.

Then we have another stream of work where we deal with some of the associated issues. As I mentioned earlier, we have identified that domestic violence is quite a big issue within these families and we have work that goes on around that. Within our poverty commitment, we almost assign out different strands of work, the different associated factors that revolve around poverty. We identify that you cannot separate them out in terms of a definition.

Poverty includes those on a really low income and those who are suffering from the effects that go with it. We do not tend to put a single work stream in to deal with that. We would look to deal with each of those issues separately, while trying to encourage those people to receive wider support and access to a more holistic stream of individuals around that family so that they have several different experts supporting them in the different areas of need.

Q49 Dr Spencer: To play devil's advocate in a sense—I can see the focus and the good work that you are all doing—how would you separate out your definitions of poverty from disadvantage?

Gavin Mullin: That is a difficult thing to do. In many respects, disadvantage leads into poverty for many groups of people. We have particular communities that on the whole you would say are disadvantaged. They also tend to be the ones, within Cambridgeshire certainly, that have much lower incomes as well. They often marry up where our disadvantaged groups move into poverty, both within the income and within some of those other factors that revolve around that.

Q50 Dr Spencer: In medicine we talk a lot about socioeconomic deprivation, disadvantages and all that sort of thing. Poverty has a particular emotive element to it over and above disadvantage. I am trying to understand. When you talk about poverty and then you talk about all the other things that are causes and effects of poverty, which are hugely important issues that we need to fix and we need to resolve, your poverty strategy sounds to me, more broadly, very much like a tackling disadvantage strategy. I am trying to clarify that as we are talking about definitions of poverty, which is quite an important thing for us to be measuring and turning around.



Gavin Mullin: Yes, your income that you receive and your expenditure is definitely a part of it all the way across. We have other disadvantaged groups who we would not classify as in poverty, although they might have some of the same issues that our groups within poverty have.

When we look at poverty, income is definitely one of the strong indicators that we use to identify it but it is not the only indicator. There are people who you might say are just above the poverty line, if you were drawing a line in the sand, but based on other factors we would classify them as being just below that poverty line.

In part, that is because in Cambridgeshire it is quite difficult to draw a line based on income and expenditure because the cost of living within Cambridgeshire city is so much higher than, say, up in the north of our county. Wages are 32% higher once you account for tax in Cambridge than they are in, say, Wisbech, but it costs 81% more to live in Cambridge. If you are on the average wage, you are able to do a lot less in Cambridge than you are in other parts of the county.

Our poverty line is not a one-size-fits-all. We have to look at some of those factors that revolve around it to decide whether a family is just above or just below that poverty line. It really is just for those who are, income wise, around where we would draw a line if we were drawing a line in the sand.

Q51 **Dr Spencer:** That is helpful. Essentially, what I understand from that is that you have your poverty strategy, the thrust of which is the narrow definition, which is financial, where you are measuring disadvantage as well—because that is very important—and the effects of financial poverty. You also have a separate disadvantage strategy, which is for those who are not in your narrower definition of poverty, per se. In effect, what you are doing is you have adopted a very narrow definition of poverty going forward, plus broader measurements of other things that are areas of interest and concern.

Gavin Mullin: Yes, you could look at it like that, although in the way that we work day to day within the teams we generally will look at things together. Certainly with external people, we try not to refer to things as poverty too much. As you say, it is quite an emotive term and where possible we don't like to use negative labels.

Q52 **Sir Desmond Swayne:** In its report last year measuring poverty, the Social Metrics Commission suggested that fully half of workless households were in deep and persistent poverty, whereas only 9% of working households were similarly afflicted. Given that correlation between worklessness and deep and persistent poverty, how useful is worklessness as an indication and measure of poverty in that mix?

Will Tuckley: Worklessness is a good indicator. As I understand it, in London about 81% of children in workless families are in poverty. Speaking in relation to Tower Hamlets, Tower Hamlets has higher



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worklessness than the London average, so clearly worklessness is a key issue.

It is probably worth highlighting that whereas worklessness has declined steeply—at least until Covid—poverty has remained pretty high. In Tower Hamlets, worklessness fell from something like 28% at the end of 2005 to just over 11% by December 2018 but, crucially, we have not seen a corresponding drop in child poverty.

A definition that excludes households that have at least some members in work would not be helpful, certainly in a Tower Hamlets context where there is a substantial amount of relatively low-income employment, particularly in hospitality or areas of the wider, more informal gig-style economy. That clearly does have an impact on the wellbeing of children within those families.

Charlotte Ramsden: As we know, worklessness is very definitely linked to deep and persistent poverty. That intergenerational worklessness that we see in some places is deeply distressing. We absolutely want to equip children to break that cycle.

The issue of those who work and the increase in poverty, though, is deeply disturbing. While that may not be that deep and persistent poverty that is being talked about, the increase in children living in poverty, where one or both parents are working, is a real concern. We know that that has grown even more where children are living in lone-parent families but where that parent is working.

There is something there about an increase in poverty despite working that needs to be addressed. That is not the same as the group who are in deep and persistent poverty, but the risk is that, if it is not addressed, those individuals could become deep and persistent poverty sufferers and nobody wants that.

It has been interesting to see how that has been working over this last year. The furlough scheme has been admirable in terms of sustaining as many people as possible in jobs as the economy opens up, but being furloughed on 80% of a wage that already does not meet your financial needs has potentially tipped some people who were not in deep and persistent poverty into deep and persistent poverty because they did not have any financial resilience.

Somehow we need to address both things. We need to look at ways to address the deep and persistent poverty issues, which is about sustaining, holding and mitigating that sufficiently to enable people to come out of it. Equally, we need to pay attention to the increased poverty for working families.

We need to look at what it is about the quality and quantity of work, and the appropriateness of pay to enable families who are working to not be in poverty at all, so they have financial resilience around not getting into



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debt and are able to save even a small amount of money so that they are able to plan not just for one week but for a month, a year and so on.

What happens is they may survive day to day but they only need one thing to go wrong or one additional expense to occur and that can tip them into debt and, from that, the situation can spiral very quickly. There is a definite priority needed around the increasing numbers of those who are working but who are in poverty.

Chair: Dr Caroline Johnson is joining us, together with Kim Johnson, from the Education Committee this morning. Caroline, I think that you want to raise a point here.

Q53 Dr Caroline Johnson: I want to clarify a point regarding the differences between living in Cambridge and the rural parts of Cambridgeshire. I represent a rural constituency in Lincolnshire—so not terribly far away—and I see the extra costs that many of my constituents face from living in the country: having to drive further to work, needing to run a car because they do not live in the city, the cost of school transport, transporting their children many miles to the local school, fewer choices of shops to choose from leading potentially to increased costs, sporting activity and cultural venues being in larger places, therefore requiring them to travel to access these opportunities for them and their families. Why is it 81% more expensive to live in Cambridge? Is it entirely the cost of property and housing or are there other associated factors?

Gavin Mullin: For us within Cambridgeshire, the city of Cambridge housing costs are around double what they would be in the north of our county, which accounts for a huge amount of that difference. Also some of our transport is potentially more expensive within the city. A number of our people who live within the city of Cambridge do not work in Cambridge, so some of those will be taking train journeys down to London or to other places. The costs of living there, people's expenses, go up quite quickly for those kinds of things.

As you say, there are other factors that are more expensive within the rural communities. Transport is definitely generally one of those—particularly for our poorer families—and the inability to get to some of the cheaper shops to buy food for a lower price.

If you look at it as an average and not just at those in that lower zone, often they can afford to go to those cheaper shops anyway. For those who are living in the poverty area, some of the average things do not necessarily apply to them, but it is quite difficult to strip out what does and does not apply to some of these families.

Certainly, housing costs are so much greater within the city of Cambridge and that accounts for more than the 81%. If you took housing out of the equation all together, it would be cheaper to live in the city, just because of the unique way. I think that housing prices at the minute in Cambridge



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city are 181% more expensive or thereabouts than they are in the north of the county. Housing is the big factor driving that.

Q54 Dr Caroline Johnson: The answer to make people less poor in Cambridge is to make their houses cheaper, is that right?

Gavin Mullin: It is not the only thing that we would hope would happen, but certainly if the houses in the city of Cambridge had the same kind of rent, the same kind of pricing structure as they do in the north, the people in the city would be lifted quite a long way up in terms of their disposable income. Housing costs for those who are renting privately are hugely more within the city of Cambridge and, as a single factor, that takes over from all of those other factors that you were mentioning.

Q55 Siobhan Baillie: Thank you for coming along today. The Welfare Reform and Work Act 2016 saw the Government introduce an educational attainment indicator. I am interested to know your views on the relationship between educational attainment and child poverty. I will deal with it now rather than do a follow-up: can you also talk separately about the impact of parental educational attainment on child poverty, please?

Will Tuckley: Educational attainment is a key issue. In response to the earlier question, Charlotte was talking about some of those wider factors. Relating this question to Tower Hamlets in particular, at the moment you would say that educational attainment is not a very good indicator of child poverty. On some measures we have the highest level of child poverty in the country, and 20 years ago you might have looked at educational performance and said it is not surprising because children are not doing particularly well in the education system in Tower Hamlets.

Over the last 20 years, that has been transformed. We now have some of the best urban schools in the country and our GCSE results, for example, are ahead of the national averages. In particular, we have a relatively young population. A high proportion of that population has Bengali or Bangladeshi heritage and they now outperform their white British peers in their educational achievement. Now you cannot see a correlation between their educational achievement and the levels of child poverty in the borough. Some of the calculations that academics have done suggest that children with free school meals, for example, in Tower Hamlets are only about a month behind their peers without free school meals, whereas nationally there is a much larger gap.

However, as Charlotte was indicating, educational attainment is a crucial factor because it provides a means to try to alleviate generational poverty and provide the means by which young people—and older people but young people in particular in this context—can move out of their difficult circumstances and attain better employment and better job prospects in the future.

One of the things that we have experienced is that there remain barriers. What we are finding is that, despite succeeding sometimes spectacularly



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at school and up to GCSE level, there are some factors that appear to mitigate against achieving quite so well at A-levels and not necessarily going to the universities that one might then expect or necessarily getting the jobs that one might then expect. Clearly, there are a set of barriers related to some of those young people's backgrounds and the wider way in which job markets work that then mitigate against educational achievement being a route out of poverty.

The second part of the question was about parental aspiration and parental qualifications. In our borough, we have twice the rate of adults with no qualifications, but what we see in a relatively young, pretty aspirant community is an awful lot of expectation about the achievement of young people. That is then added to as a result of the school system and that is why young children succeed and move on. I would not point to a lack of aspiration as a result of a lack of parental qualifications being a critical factor in our case.

Charlotte Ramsden: I would just add a couple of things because that was incredibly helpful.

There is a real difference between the success of progress around educational attainment in the London boroughs and the rest of the country. In answering that question, I think that it is important that the Committee looks at the reasons why progress has been so good in the London boroughs and has been less successful on average elsewhere. A lot of that is to do with investment and intense input. It is a good news story that we would like to see replicated.

That link to opportunity beyond education is important and only so much of what happens educationally is down to the brilliance of teaching in schools. It is about those wider opportunities, which links partly to that question around parents and how able parents are to support their child's education, how much they understand the significance of it to opportunity for the future, and what connections they have to wider opportunities for their children.

Those of us who are privileged to have lots of access to lots of people can signpost our children to go to talk to people, to get work experiences, to find out about jobs. Lots of people stuck in our poorer communities do not have that privilege. We need to offer that privilege to them, which is about the wraparound support that local authorities need to offer to the education system itself.

In terms of the relationship with parents and home, during these Covid times we have seen clearly the difference in impact on children where their home conditions enable them to still receive their education and cope or even thrive, and those families where the home conditions just do not allow that to be possible.

We need to think again about the quality of education, the quality of wraparound support that is needed, and then how we create the



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opportunities and connections for young people who do not get that automatically through the people they know in their own family circumstances.

Q56 Steve McCabe: Good morning. I want to particularly put this to Charlotte, actually, but if the others have anything to add I would be glad to hear that.

We have seen a fairly steady rise in the numbers of looked-after children over the last few years. Is there a link between child poverty and children coming into the care system?

Charlotte Ramsden: Yes, absolutely. All of the data that we have and, if you have not seen it, the "Safeguarding Pressures" report that was published by ADCS earlier this year indicates clearly that there is a very definite link between poverty and the need for the intervention from children's services and ultimately, therefore, to children becoming looked after.

Families with multiple disadvantage—going back to the discussion earlier—whether that is around the way their families cope, the abusive situations that they end up involved in, the safety of the communities they live in and the issues that are going on around them as well as in their homes, all conspire against them, together with the difficulties of living in poverty day to day, to make it much harder for them to support their children in the way that they would wish to.

That is despite the fact that a lot of those individuals want to provide the best possible care to their children. They either do not know how or they are unable to. There is absolutely a causal link between poverty and the need for children to come into the care system.

One of the most frustrating things, speaking as a practitioner—I am still a registered social worker—is when so much good work has gone on to support a family to care for their children effectively and then that situation is cut off at the knees by the fact that a crisis has occurred around poverty, a threat of homelessness and so on, it can undermine a huge amount of good work to mitigate the impact of the family's problems and, therefore, mitigate the impact for the child.

As a result of the combination of the two things, poverty and the challenges of family life, we inevitably see far more children in our care system who have also been through a life experience of poverty.

Q57 Steve McCabe: On the back of that, how are children in care recorded in the poverty data? How do we see this?

Charlotte Ramsden: Children in care themselves are not in the poverty data. Their families, who are still out in the community and not in care, will be recorded in poverty data. Children in care are not because we care for them. If they stay in the care system and become care leavers, at the point that they become eligible for benefits or move into employment in



their own right, some care leavers would then again factor in poverty statistics if they are claiming benefits and so on. They would then count in their own right, but while they are children in care they do not count in that data.

Q58 Steve McCabe: Do you think that partly explains why the Department for Education's report, "Children in need of help and protection", only found a moderate correlation between numbers of looked-after children and low-income families? Is that because we record it with the families at the beginning and when the youngsters leave care, and then we—I am not saying deliberately—massage the figures in the middle by hiding it? Is that what happens?

Charlotte Ramsden: I would not put it in quite those terms. I do not think it is a massage.

Steve McCabe: Okay, put it your way.

Charlotte Ramsden: The complexities of that report—and I would need to go back and read all the details to answer that in full—show why families in poverty often require much higher levels of intervention from a range of services and it becomes much harder for them to stabilise their lives and cope without support, which then by default for some of those families leads to them coming into care. I do not think the causal links are as explicit in that report as maybe they could be if we looked at it differently. The information in our "Safeguarding Pressures" report about the interrelationships may be helpful in that respect.

Q59 Debbie Abrahams: Good morning, everyone. My questions were specifically about housing, and housing costs in particular, and the relationship with poverty and child outcomes. I also want to ask specific ones around that.

You have been answering those as you have been going along and I found it absolutely staggering what you said, Charlotte, about some claimants only receiving 50p a week worth of housing benefit. I appreciate that housing costs in Salford are less than half of what they are in Cambridge, but I still think that that is an absolutely staggering figure there. Could you answer briefly around those, and then I would like to ask about homelessness, child poverty and the quality of housing?

Gavin Mullin: I can answer a couple of those or bring a couple of those out in the same answer.

With our local assistance scheme—local welfare scheme I think it is called elsewhere—we regularly look at case studies. We sample those who have accessed it to see what the benefits have been for those families. In the last tranche that we did we looked at 50 random families. We identified that we had prevented five children from going into care and we had helped four children move back from care to their families through the support that our system was giving them.



I will give you an example. I guess it is not just one family. There are a number of families that are all in this situation, where it is an overcrowded house and it is not appropriate housing. I am thinking of one where there was a family who, because of their housing—they had damp in the house—it was not a nice environment. They could not do something as simple as get their clothes washed and dried, which meant they could not then go out as much.

That was a family that needed support that the children's centre would have been able to give them, that we would have been able to get within the community, and they were cut off from that support because their housing environment was not sufficient for that family. If that had been left unchecked—

Q60 Debbie Abrahams: I am sorry to interrupt you there, Gavin. In terms of the relationship between different social security measures, for example, did you find that was worse or not in relation to when the spare room subsidy measure—or the bedroom tax—was introduced? Could you comment on the LHA as well, frozen until quite recently and due to be frozen again in September?

Gavin Mullin: Yes, of course. In that example, they could not get the support, so that child would have likely ended up in care. We have a number of families who are in that overcrowded situation who then, because of their living situation, cannot access support.

We also have other families who, because of various things as you have mentioned, struggle immensely with the cost of housing. That is particularly within Cambridge where, if you are on benefits or if you are in a zero-hours job, a minimum wage job, it is very difficult just to meet your basic costs of housing and food.

When they are in that situation, a lot of our families cannot do other things that other families would do. That puts a lot of strain on the relationships within the family and how you parent your child, and it leads to a number of problems further down the road for that family.

Will Tuckley: This was the issue I was trying to come in on earlier. I do think that housing costs are a crucial part of this question. I was staggered when I was looking at some of the statistics prior to this session.

In Tower Hamlets, about 28% of children in lower income households are deemed to be in poverty, but that is before we take account of housing costs. Once you add housing costs into that equation that figure comes up to 55%. That is more than half of children and that is triggered by the impact of the cost of accommodation in urban places.

Gavin has described the position in Cambridge well. The position in London is, if anything, even more acute. As a result of the pandemic, the number of households in Tower Hamlets that needed support with their



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housing costs rose astronomically from about 8% to over 35%. Housing costs is a crucial element of this wider equation.

The question in part related to local housing allowances, which is a crucial component of the picture. Increasingly, right across the country, lower income households are in private rented accommodation and, of course, the local housing allowance has a crucial impact on the benefit that they receive.

We were pleased when after a decade or so local housing allowances were adjusted, but what that meant for many households in Tower Hamlets—who would have seen their benefits increase substantially to address that—was issues such as the benefit cap kicking in and the net effect being much more modest in terms of their income than would otherwise have been the case. Again, the interaction between the benefit system and housing circumstances is absolutely crucial.

Overcrowding was mentioned. About half of the households on our housing waiting list are overcrowded; that is over 9,000 households. They tend to be in the top priority brackets for new accommodation but, as members will know, the supply of new accommodation even in areas like Tower Hamlets and indeed Newham, which have been producing lots of new accommodation, has not kept pace with demand, particularly from lower income households. Housing needs to be at the centre of this debate and this question.

Charlotte Ramsden: It is helpful to hear those comments. There are two critical factors here. One is the availability of suitable and affordable accommodation and the other is what is happening in the wider economy that is interfacing with that. That is why it is so crucial, when assessing poverty, to consider both a person's income and their essential costs in order to determine whether they can afford to live with the money that they have.

As an example—and this was not in the authority I work in now—when the bedroom tax was implemented, in the authority I was in at the time there were 2,000 individuals or couples who wanted to move from a two-bedroom property to a one-bedroom property because they were only entitled to one bedroom.

At that time, there were four properties available through a social housing arrangement. Immediately, the rest of that 2,000 were thrown into debt because they were charged for a bedroom that they could not afford but they could not control the situation for themselves because there was simply nowhere for them to go. The affordability of the suitable accommodation needs to be in line with what people need and with the legislation and the expectations.

What has happened with rents is that if a place improves economically, clearly people put rents up. That means that people who cannot afford the rents in those places any longer need to move, so communities are



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disrupted. The interface between family welfare, stability and their whole life outcomes is absolutely caught up in whether or not they have suitable affordable accommodation and enough income to meet that. The interface there with homelessness has put a significant number of individuals and families at risk of homelessness because they fall into debt and simply cannot afford to maintain that property.

We are an authority where I am responsible for housing options, so homelessness services, as well as children's services. We have a pre-action protocol where notification of families at risk of homelessness is brought to our attention and collectively we look to try to address that.

Often it is cheaper for us to pay off the debt that someone has than it is to allow them to become homeless, with all of the costs that that involves and also all of the human cost in terms of disruption to their lives. That is not a long-term solution so we definitely need to be looking at how—through however we address poverty—we make sure that people have affordable places to live. Within that, there then comes a responsibility to live within means, but if people do not have the means in the first place and cannot manage that themselves it becomes incredibly difficult.

Q61 **Debbie Abrahams:** Very briefly, how many households have you paid off the debt to avoid them being homeless and everything else that that encompasses? How many where the council has been doing the right thing but is still landed with this payment as well?

Charlotte Ramsden: I don't have the number off the top of my head. The numbers are not huge because we use discretionary housing payments and crisis intervention approaches. Having some money that we can manage, oversee and provide crisis payments means that we are able to mitigate a lot of those. I can get you a more detailed figure outside of this inquiry if you would like, but I would not want to quote one in a public meeting without checking it.

Chair: Do e-mail us. We would be very interested to hear. Thank you.

Q62 **Chris Stephens:** Will has answered in depth the question around child poverty and ethnic minority families, but I want to ask the panel quickly what role local government should have in responding to higher rates of child poverty in some ethnic minority families. What additional powers should local government have or funding transferred to it that could help deal with that situation?

Will Tuckley: Thank you for the question. I think that this is a crucial issue. Indeed, we have just had a black and Asian minority ethnic inequality commission that has looked in part at some of these issues around community leadership, health, education and employment.

The issue that came out of that was perhaps back to the point that Charlotte was making earlier. This is not about a single issue. It is not just about employment programmes, although that is a crucial component. It is not just about community support, although that is



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important as well. It is not just about cohesion in different places across the country. It is about a combination of all those things and working in partnership with communities and key institutions in a locality to improve circumstances for some of our communities that we represent.

I want to pick up the point about networks because I do think that that is a crucial component of the wider picture. As I mentioned earlier, our young Bengali and Bangladeshi communities are doing particularly well at school but less well when it comes to accessing jobs and university places. As Charlotte hinted, part of that we know is about access to networks. The most obvious example is things like internships, which tend to go to young people whose families have means. It is fortunate for them that they can afford to take a low or no pay circumstance for a period.

One of the things that we have been doing—it is not quite a parallel circumstance—is we have been supporting people with a target of those who are further away from the labour market. In our case, that includes, for example, Bangladeshi women over 50, where there is a very low employment rate.

We have been working with community organisations and those individuals, and one of the schemes that we run is a paid six-month in-work placement, paid by us. What it does is it gives the employer the experience of an employee, it builds the employee's confidence, and, in 75% of cases, employment is maintained beyond the original six-month period.

It is crucial that we find means to overcome some of the barriers that face people who are disadvantaged or deprived, or have particular barriers to gaining employment and therefore improving the wellbeing of their families.

Q63 Chris Stephens: Thank you, Will. Does any other panellist have something to add?

Charlotte Ramsden: I can come in on that. As Will described, we have responsibility for understanding the people who live in our communities, understanding their needs, and for doing our best to work with them to enable them to live fulfilled and satisfying lives—whatever that means to them—and understanding the complex needs of our ethnic populations, and the differences between them.

It is not an easy task but there are two ways of approaching it. One is by working with the communities themselves, looking with the community champions at what it is that helps them, how we can engage and wrap services around them, and provide the opportunities and networks that make a difference.

The other approach is to understand at a strategic level the analysis of data, both local and national, asking what it is that works, in order to



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increase our understanding of where the barriers are so that we can address them.

We need to learn from what works. We all have examples of individuals, families and communities that have made significant progress, so what it is that works to lift particular groups out of poverty, gives them the opportunities that they deserve, and enables them to make the best of them and how we can then expand on what works.

Sometimes we get stuck on what does not work and what the problems are, but all over the country there are good examples of where things are making a difference. We need to draw in the evidence of those good examples so that we can apply it more widely. However, that all requires resources and opportunities to make sure that we have the resource to do the work and the wherewithal to link people into the opportunities around work and education.

There are schemes out there—Kickstart, for example—that we can harness, but we need lots of those kinds of opportunities if we are going to make a difference.

Q64 Nigel Mills: Do members of the panel think local government have all the data they need to be able to track child poverty and work out who needs intervention, so that they can most effectively target the work they want to do? Does the DWP share sufficient of its own data with local government to support their work, or is there more information that you would like them to have to help them do a more effective job?

Gavin Mullin: In Cambridgeshire we think it is quite difficult to get the data we need to target specific families. We need data almost at a family level. Even within a ward or a small area, we will have some affluent housing and the next street might be deprived. Situations can vary from street to street.

There are pockets of deprivation in some areas, and they may be small pockets but deprivation within that street or two streets will be quite deep and we need to support the individuals who live there. We try to use local knowledge to get a set of softer data. We use DWP data for some of our higher-level resource allocation.

We often look to universal credit. We can see a link between the number of UC claimants and the number of people accessing our welfare scheme. It is about 1%. As the number of people on universal credit goes up, we know that there will more people reaching a crisis point and coming to our welfare scheme. However, overall we do not use a lot of DWP data.

Free school meals data is useful. Under-twos data does not come directly from DWP, but because it is on that family level, it enables us to target the specific families accessing it much more directly. Throughout the Covid response, we have tended to use free school meals' data as our first source of data. We know that everyone who is claiming free school



meals is in a certain position and that they need some additional support. Within Cambridgeshire, we need that softer data to work with specific families. It would be difficult to get that data from DWP because of all the GDPR regulations in place.

Q65 Nigel Mills: Does anybody else want to comment on that?

Will Tuckley: I was one of the chief executives who wrote to the DWP about access to universal credit data. I think it is vital that DWP looks again at sharing some of that data with local government.

One of the things that has been a triumph during the pandemic—although a bit of a struggle—is the sharing of data across Government Departments to assist with the vaccination programme. This is as vital as that.

In Tower Hamlets we use something called a low income family tracker, but the data in there is based on legacy benefits, principally on housing benefit and council tax. Universal credit—as we know and as Gavin has just said—is taking over an increasing proportion of the benefit system.

Because we do not have that universal credit data, we do not know which families, for example, are subject to the benefit cap. Therefore, we cannot reach out to them to avoid homelessness in the way that Charlotte was describing. We know which families have council tax arrears but we do not know about universal credit deductions, so it is quite difficult to reach out to give the debt advice that those families want. We cannot get in touch with those families, as we do with others, to make sure they are claiming everything they are entitled to and can therefore avoid crises. We need to find a way in which the universal credit data can be shared proportionately and appropriately across the system.

There is one further area to mention. Gavin mentioned free school meals. There are also healthy start vouchers. DWP could use universal credit data to passport direct access to those levels of support rather than us having to constantly follow up and check, and try to work out whether families are entitled to free school meals or whether they are getting the Healthy Start vouchers that they are entitled to. DWP could deploy mechanisms like that to make the wider system of support for families much more straightforward and much more effective.

Q66 Kim Johnson: I have a couple of questions about cross-government working. The first is to Will Tuckley, as Chief Executive at Tower Hamlets. What has been the impact of the DWP's £170 million Covid winter grant scheme on facilitating joint working to tackle child poverty? Do you think the troubled families programme offers a co-ordinated policy approach to child poverty?

What, if any, lessons are the Government learning from these programmes? You have just mentioned some issues about data, but what are the other challenges to joined-up working between local government



and central government for children in families where the parents have no recourse to public funds? I am sorry about that longwinded question, Will.

Will Tuckley: But it is a good question, so thank you. The DWP's Covid winter grant scheme has been very welcome. Of course, the announcement of it was relatively late, but it gave us the means to provide vital support to families with children in poverty, to provide food, a lot of food vouchers, and to help with utility bills. It was a massive help at an important time.

One lesson is that that grant needs to be continued, and continue to be channelled through local government because local knowledge and local relationships make a difference in reaching the people to whom it can matter most. However, we need to try to do something about the very short timeframes that were attached to it.

It was also quite restricted in how it could be used. For example, we could not use it to buy vital clothing for children who were destitute and in difficult circumstances. For example, it was limited to vouchers rather than cash, which in some circumstances could have been better and given more immediate relief, and it could not be used to cover advice. More advance notice would have been helpful.

Our experience with the troubled families programme, which we turned around to call supporting stronger families, has been that the combined approach, albeit with a performance-related element—we had to work together to make a difference for families—has had an impact. Like the winter grant, it has had an impact over quite a long period of time, I think from something like 2005. That consistency of approach, the combined assets of central government, local government and other agencies, that focus, has made a big difference over time.

The last bit of your question was about no recourse to public funds and our responsibility to step in to avoid destitution for some of those families. During the pandemic, that has come into focus even more strongly because families that we were previously unaware of—who had managed through having employment, which then stopped—immediately came to attention.

In Tower Hamlets' case, our levels of expenditure have been running at about £0.5 million of support. Of course the crucial issue, and the crucial issue about co-ordination, is about the Home Office and the Home Office taking decisions earlier about the future of those families. It is clearly very uncomfortable for the families concerned, and in some circumstances much more than uncomfortable. It puts us in a position where we cannot step in earlier and prevent things going wrong. We just have to come up with the cash in order to support people when they are in trouble.

Q67 **Kim Johnson:** Thank you for your responses to those questions. I know



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they were long-winded. I hope the Department takes on board what you are saying about how to make things better.

My final question is about cross-government child poverty strategies. Does the panel think that the Social Metrics Commission's measurements should be used as part of the Government's child poverty strategy? Should the Government adopt a target for reducing child poverty?

Charlotte Ramsden: I will try to wrap up a few things. First, on child poverty data: we have data that enables us to make strategic responses but we do not have data that enables us to make rapid, flexible responses to mitigate impending crises.

There is an opportunity for DWP to work with us in a different way, using the data it has to enable us to be much more rapid and flexible in the way that we respond to mitigate child poverty. The winter grant scheme has been fantastic because it has enabled exactly that: rapid, flexible responses. For future investment, we need to learn from what has worked well.

Likewise, the troubled families programme: the one-year investment in the newly-named supporting families programme is welcome. We are desperate for long-term, sustainable funding that will enable flexible, early help that is a wraparound support to mitigate crises and enable families to cope. Both the short-term scheme and the long-term troubled families investment are most welcome. We need to learn from them.

We would welcome a cross-governmental child poverty strategy. At the moment, it feels as if Government Departments are well-meaning but working in silos. Responsibility needs to be shared to mitigate crises and address the long-term causes of child poverty, and that does mean working together.

We see lots of short-term investment in programmes designed to help but what happens when the money runs out? How do you get sustainable expertise that wraps around people for as long as they need it? We need a long-term, strategic approach to setting a strategy based on the complexity that we have been talking about. We cannot use the level of income on its own as a measure of whether a family is in dire poverty, deep and persistent poverty, or not. We need a basket of indicators.

We need a strategy that both mitigates the short-term issues and provides a long-term plan for solutions to mitigate the causes of poverty over a long period. We advocate for government responsibility to be shared across Departments.

Gavin Mullin: I agree with a lot of what Charlotte said. There does need to be a cross-governmental strategy with everybody taking responsibility and pulling in the same direction.

Cambridgeshire is not a unitary authority. Districts and councils that sit beneath us deal with things, such as housing and the troubled families



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programme and the Covid winter grant scheme, and have supported us to work more closely with them to put in arrangements that allow us to share data much more easily than we would have been able to do 10 years ago.

That sort of thing allows us to target families at an earlier stage and early intervention has the biggest impact, preventing families from going into deep, persistent poverty. That is better for the families and it is a lot cheaper to run interventions at an earlier stage. For example, if we could get more DWP data linking up when people come on to universal credit, we would be in a position to offer intervention at that really early stage, with the aim of preventing families from going down into that spiral of poverty where their situations just get worse, which prevents them from getting out of them and makes their situations even worse.

Kim Johnson: Thank you, Gavin. Clearly, lack of data sharing is a key obstacle to collaborative working. Thank you, Chair. Those are all my questions. Thank you, panel, for your responses.

Chair: Thank you, Kim. Thank you, all three, for the evidence you have given. Thank you for the work you are doing. Thank you for the very interesting information you have provided this morning.

Examination of witnesses

Witnesses: Peter Tutton, Sabine Goodwin and Una Summerson.

Q68 **Chair:** We now move on to our second panel and welcome three new witnesses to the Committee. Can each of you tell us very briefly who you are, starting with Peter Tutton?

Peter Tutton: Peter Tutton. I am Head of Policy at StepChange Debt Charity.

Chair: Thank you for joining us.

Sabine Goodwin: I am Sabine Goodwin. I am the Co-ordinator of the Independent Food Aid Network, which represents independent food-aid providers, including over 500 independent foodbanks across the UK.

Chair: Welcome. Thank you for being with us.

Una Summerson: I am Una Summerson, from the charity Contact. We support families with disabled children, who can be children with any condition or need.

Q69 **Chair:** Thank you all very much for joining us. Can I put the first question to you? As you know, in 2016, the former child poverty targets were dropped and the focus shifted to worklessness and educational attainment.



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This question is to all three of you. Have you seen an impact from that shift? Do you think the Government should have a child poverty target, or targets? Do you think there are any specific measures related to poverty that ought to be targeted?

Peter Tutton: It is hard to gauge the direct impact of the removal of the targets but if there is a target, there is focus and if there is focus, there is purposeful action to address child poverty. We heard from the previous panellists about the various things they are doing to try to deal with poverty in their areas that would be aided by a coherent, cross-government strategy that had some focus and some targets, working to try to push policy in the right direction.

Strategy is not just about having targets and being able to measure; it is about understanding the drivers of poverty. In the charitable sector we have a theory of change. In debt, for instance, we think about why our clients are coming to us with debt problems, and what needs to happen for us to be able help them get out of debt and also prevent people from getting into debt in the first place. I think it will be similar with poverty. That there will be different reasons for different groups of people and, unless you have a strategy that is underpinned by that kind of thinking, it is hard to see how policy can be sure to make a difference.

We know that there is a child poverty strategy in Scotland. We operate in Scotland and I have colleagues working there. My colleagues in Scotland report to the Scottish Government on debt, gathering information from all the charities about the impact they see. There is a strategy and some targets. As well as a headline poverty measure for the population, they have priority target families, such as single-parent families, which present big debt issues. A high proportion of our clients are single parents. So the Scottish Government is looking at the top line and also below, at particular groups that may be at particular risk or need particular support to get out of poverty.

There are other measures alongside the headline poverty, income poverty, measure that would be useful. For instance, we are interested in looking at the work of the Social Metrics Commission to see how that comes into the poverty measure. We would also suggest some other things: for example, concentrating on what the statistics on households below average income show after housing costs, and on households with negative income—an income below zero.

We have a concept of clients with negative budgets. They are those who cannot make ends meet. That is deep, deep poverty, which means that their debt problems will continue to grow. A particular focus could be looking at people who cannot make ends meet to identify a broad range of policy interventions that might help.

The previous panel talked about financial resilience. We know that one route into poverty among our clients is a life shock, such as losing a job, losing income, illness, a relationship breakdown, often compounded by



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trying to top up reduced income by using credit, which puts more pressure on budgets.

We would like a strategy to have some measure of financial resilience. How do we enable people to better manage income shocks that are going to happen and happen all the time without falling into poverty and without falling into debt?

Sabine Goodwin: I agree with Peter Tutton that it is very hard to be sure about the impact of removing targets, but since 2016 we have been seeing more and more families impacted by poverty and more and more children needing support from foodbanks.

It is important to have a variety of measures of child poverty, but most important is to have a measure that we all agree on, which has cross-party support and that the key stakeholders agree is the key measure.

We advocate that the key measure of poverty to focus on is that of income relative to housing costs, in order to understand what is behind child poverty and also be able to do something about it. It is fundamental that action is taken in response to any measure. We want to get past deciding whatever measure is best and start moving forward with a strategy as to how to reduce child poverty. This moment, of all moments, is the moment to act on section 1 of the Equality Act so that we can see the socioeconomic impact of policy.

Una Summerson: We support having targets. Since the removal of targets it has been more difficult for charities, such as Contact, to hold Government to account and make a case about how certain policies are affecting child poverty. We would like to see a measure related to income that also includes the extra costs of care for disability. That would be an important step forward. We know that families with disabled children face extra costs.

I think it is important to have a child poverty strategy so that Government can set out how they are going to go about reducing poverty. The families that Contact supports might say, "Not another strategy; we need action now" particularly in the current climate, but I think there are opportunities to include some targets and measures in other government strategies, for example, in the National Disability Strategy, which we expect will come out soon. It would be helpful if child poverty were to be considered within other strategies, but any strategy must have clear leadership, ideally from No. 10.

Q70 **Steve McCabe:** My question is directed to Una. I am interested in the relationship between child poverty and disability. I notice that Contact said that it costs three times as much to raise a disabled child as it does to raise a non-disabled child but there does not seem to be any adequate measure. DWP statistics on households below the average income do not factor in extra costs but do take some account of extra benefit and the Social Metrics Commission uses extra benefits as a kind of proxy for extra



costs. Is there a better way to measure the real costs of disability?

Una Summerson: There is a clear link between child poverty and disability because of the extra costs, and because of the challenges for families of combining paid employment with care responsibilities and in accessing social security, both in terms of understanding the system and the levels of payment.

We do not have a solution about how you can measure those extra costs but starting to look at the issue is an important step forward, because we have not previously tried to track child poverty for disabled children. We know that half of children in poverty are members of a household with a disability, so it is important for us to be able to work across Government Departments to find a good way to measure the extra costs.

I think that Scope has done some work on living standards, which helps to look at the resources that are available to families and the impact of extra costs. I acknowledge that we have not found a solution yet, but that is not a reason to not look at where and how to measure extra costs and set out how government policy can help to reduce child poverty in families with disabled children.

Q71 **Steve McCabe:** What do we need to see from joined-up government and the DWP working with other Departments in order to reduce the chances of disabled children ending up living in poverty?

Una Summerson: As we have already heard, data sharing is key. Around 28,000 disabled children missed out on extra disability payments in tax credits because HMRC and the Department for Work and Pensions did not share information. Every time there is an increase in the national living wage, some parents of disabled children and other carers lose their carer's allowance by simply going over the earnings threshold by a couple of pounds. It is important that DWP works much more closely with other Departments and shares information to ensure that good policy intentions do not disadvantage families with disabled children.

Q72 **Steve McCabe:** Do Sabine or Peter have anything to add?

Sabine Goodwin: Our members are seeing more and more families with disabled members needing foodbanks. Many of them have not had the benefit of the £20 uplift in Universal Credit because they are on legacy benefits, but their living costs are much higher. This is something that needs to be dealt with urgently because of the disproportional impact on families with disabled members. It is unfair and it is getting worse.

Peter Tutton: I have some brief observations. Among our clients, households with disabled members are more likely to be behind with basic bills and more likely to have negative budgets. We do not have a measure but there is informal evidence in our caseloads of a link between households with disabled members and more intense poverty.

Q73 **Siobhan Baillie:** A question for StepChange and Peter Tutton. Can you



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tell me a bit more about the evidence from your own work of how problem debt relates to material deprivation and other aspects of child wellbeing and outcomes?

Peter Tutton: Various bits of work that we have done over the years touch upon those things. Most people who come to us in financial difficulty have had household income shocks.

Some statistics from this year: over one third, 37%, of new clients on universal credit and in households with children, have negative budgets. That means children are in households that do not have enough money to pay for food, bills, and for everything else.

After we advise our clients, we track them for a period to see what happens. In cases of clients with negative budgets, we can deal with their debts but we cannot deal with their lack of income. Those clients tend to have much lower than average wellbeing scores, very high levels of anxiety, and fall further behind with bills and debt. We think those things have a direct impact on families and children. We have numerous bits of evidence showing how parents have to cut back on food and clothing for their children.

We did a piece of work with The Children's Society, interviewing families facing debt and their children, which again found hardship and cutting back on food, clothing and social activities. Parents told us that cutting back meant that their children were not getting as much as before they were in debt and were disadvantaged. Children picked up on it as well, understanding what was happening and feeling stressed and anxious about their households' situations, feeling that they were being left out of activities with their peers and directly experiencing a sense of social exclusion because of debt.

The statistic that encapsulated all of that was that children in households with debt were twice as likely to report being bullied at school. Trying to understand that relationship, and how that comes about—this will be people who do not have things being left out, not being with their peers—debt leads to material hardship. We see evidence of households in debt going without meals and adequate clothing but hardship will go beyond that into affecting the wellbeing of children, a statistical difference that if you are a child in a household with debt problems there is a greater likelihood of being bullied in school. Debt affects a range of things.

Siobhan Baillie: I know that the Social Metrics Commission would like to incorporate debt repayments in its measure of child poverty but thinks that there is not enough data at the moment. Jonathan Bradshaw, Emeritus Professor of Social Policy at the University of York says that debt needs to be seen as a possible outcome of child poverty, not a measure of child poverty. I appreciate that there are mixed views. What are your thoughts about it? Do you know much about how much data is being collected?



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Peter Tutton: I think both views have something to them. There is a two-way relationship between debt, low incomes and poverty. They are related concepts. Poverty is about having sufficient resources to meet needs. Similarly, debt is about not having sufficient resources to meet needs and commitments.

Generally, people are struggling with debt because of either a significant fall in their income or persistent low income. About 30% of our clients have negative budgets. They do not have enough for their basic expenditure and, on average, the deficit is about £300 per month. Poverty is therefore driving debt.

We did some research with Gingerbread and found that although poverty rates among single parents have come down, they are still very high; 26% of our clients are single parents, compared with about 6% of UK households. Being a single parent seems to increase the likelihood of being in debt. Some 82% of the single parents we interviewed said they had borrowed to make ends meet. Among our own clients, even 15 months after advice, of people on negative budgets, people on low incomes, one quarter still have to borrow to make ends meet—for things such as everyday expenses, children's shoes and clothes—and about 43% are falling behind on household bills.

If you are on a low income, you may have to borrow to make ends meet and if you are borrowing, repayments for the credit are coming out of the next month's budget, so you are getting further into a cycle of poverty, debt, more poverty, more debt. We saw that very intensely with payday loans. We would see people with over 100% of their income being taken up with short-term loan repayments. They are trapped in a cycle that has to be broken. It is very hard to get out of it, so poverty is driving debt.

There is another way round to it. What the Social Metrics Commission is trying to get at is: if people have credit, and repaying their credit agreements takes money that is not available to meet their other needs, should we, in making the poverty assessment, deduct from their level of income an amount for debt repayment? We agree with that approach.

People come to us with debt repayments that they cannot afford. The debt repayments are likely to increase. Measuring available income after debt costs would put more people in a measure of poverty. That is important because we know that people do borrow to cope with income shocks. Around 90% of people coping with a negative life event—something like losing a job—will be using a credit card or an overdraft to cover day-to-day spending, and this makes it 10 times more likely that they will experience debt.

Typically, people will spend a year or more worrying about their debts before they come to us for advice and the cost of repaying that credit is coming off their income, increasing hardship, budget pressure and loss of wellbeing. Anxiety, stress and physical and mental health problems build up because people are using more credit to recover from their income



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shock and that credit creates more pressure on the next month's budget. It is a vicious circle and, in that sense, credit is driving debt because the more people have to rely on credit to make ends meet, the more it eats into their income. If you measured effective income without new credit, people would measure as being in poverty, which they are not if their credit is taken as income.

Una Summerson: At Contact we are increasingly hearing from families that are taking out loans, not only for the basics—food and heating—but to challenge decisions in tribunals to get support for their children in school or pay for essential therapies. As local provisions have been squashed, more and more families have to pay for services themselves and so have been taking out loans because they do not have the income to afford them. We support including the cost of debt in measures of income.

Sabine Goodwin: Two quick points. We note that people are falling deeper into debt before they come to a foodbank, before they go through what is perceived as the indignity of seeking charitable food aid.

We are seeing something very striking in the level of debt incurred through having to pay back universal credit loans. I know the Trussell Trust is seeing the same thing. More people are getting into debt because they take out the universal credit loan, thinking it is the best option, but that is not necessarily the case.

Q74 **Chair:** Are you talking about the universal credit advances?

Sabine Goodwin: Yes.

Q75 **Nigel Mills:** I suppose it is fair to say that the Covid-19 pandemic has exacerbated the child poverty situation. I don't know if any of the panel would disagree with that or would want to comment on it, but can I ask if the DWP's Covid winter grant scheme has helped to address the situation? Has the way that scheme has been set up provided lessons in how we ought to do future local welfare support?

Una Summerson: At Contact, we signpost families to the winter grant scheme but, although it is great that it is there, time-poor parents of disabled children are less likely to apply for a discretionary grant scheme, because they do not have the time. It is very difficult for national charities, such as Contact, to be able to provide advice because local schemes have different ways to apply. There are challenges there. Some of the comms that went out from Government when the scheme was introduced were a bit confusing for families who thought it would be a payment from the national Government. We would caution about using that scheme as a long-term way to support families with disabled children out of poverty.

Sabine Goodwin: The winter grant scheme is incredibly welcome and a positive move. It is the kind of funding that we need to see in the long term for local authorities, without question. To flag a couple of issues



with the scheme, the money did not necessarily go to people directly. In many cases local authorities funded foodbanks as a means of distributing that funding, which would not reduce the need for foodbanks but further institutionalise the foodbank system.

Of course shopping vouchers are a step up from an emergency food parcel in terms of choice and dignity, but ideally local welfare assistance schemes, properly funded, would distribute cash payments directly to people so they can make their own choices about what they need to buy, whether it is food or other essentials. I hope that is helpful.

Q76 Chair: Sabine, a comment on what you have seen at the foodbanks in your network as a result of Covid. What has been the impact of Covid on them?

Sabine Goodwin: Extraordinary increases in need. Trussell Trust data have shown big increases but independent foodbanks have seen bigger increases in some cases. Our most recent data comparing November 2020 with November 2019 saw a 123% increase in demand. Comparing May 2020 with May 2019, that was a 177% increase. I am analysing data at the moment that will look at a two-year period up to March 2020 and I will be able to send that over to you within the next three weeks. We have a significant dataset there with a lot of contributions on the number of children who have been supported.

We do know there was an 85% increase in the number of children supported, looking at the data comparing May 2019 and May 2020, but not all of the independent foodbanks that contribute to our datasets collate data on children, so it is hard to get a real measure of that because some of them only collate data on the number of people they support or the number of families and it is not necessarily listed.

Chair: We will be keen to see those figures when you have them, thank you.

Peter Tutton: Circling back to the impact of Covid, groups that particularly seem to be hard hit include parents with children over five and single parents. As is becoming increasingly understood, it is particularly hitting certain people.

In terms of local welfare, I agree. Local welfare and the Covid winter grant scheme has been incredibly important in delivering to people. As we have been monitoring Covid and the impact as time has gone on, the number of people negatively affected peaked quite early on, but what we are seeing is intense hardship among our clients who have exhausted their other forms of coping. They have run out of savings, there is no more support from family and friends. In some cases, the benefits they are getting are not enough to keep their heads above water. They are increasingly desperate and falling into debt, so the Covid winter grant scheme, the local welfare support, has been very important.



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However, when we look nationally at our polling of people who used it, about 2% of people with children say they receive support from local welfare. That went to 9% among those people who are showing the most signs of hardship so there is some element of good targeting there. Where there is help, it is going to those who really need it.

But if you compare that to the number of people who are borrowing to make ends meet—I talked about them before—28% of people with children are borrowing to make ends meet and 69% of those experiencing the most hardship, so local welfare and the Covid winter grant scheme are doing a good job but in terms of the scale of support it is not meeting all those needs.

Thinking about, as Una said, how people get to it, if it is difficult to access, if there is a complicated application, how referral sources are working, when people are stressed, they are under pressure and they are thinking, “How am I going to pay the rent? How am I going to feed my child? How am I going to deal with these calls about people I owe money to?” they are going to respond in the easiest way possible, which sadly is often using high-cost credit, which will make their problems worse next month.

While the Covid winter grant scheme and the local welfare approaches are really important, there is work to be done, first, to make sure we know how we make this a long-term path, because it is a need that is going to go on. Secondly, how do we make it work for more people, making sure that people in the most need are getting to it rather than doing things like borrowing that will make their problems worse?

Q77 Nigel Mills: The panellists are all offering different strategies for how we tackle welfare topics. We have had a suggestion that the discretionary scheme did not get everybody because they did not have the capacity to know the scheme exists or make a claim. Are we suggesting that we should be trying to do this nationally and automatically, rather than have a local top-up based on individual need where some of the circumstances or the system is not working, or is the best option have some local flexibility and target it as best we can? I am not sure I can see a better way around this that would not be expensive and bureaucratic and very hard to target.

Una Summerson: We would definitely advocate for a combination of national and local schemes. There are already ways in the social security system to target effectively. We have seen the £20 uplift for universal credit that, sadly, many families with disabled children did not benefit from. There are ways of topping up support at particularly difficult times like the year that we have just had, certainly ways that could mitigate the impacts longer term.

Many families with disabled children will be substantially worse off when they have to claim universal credit, because of the cuts to child disability payments. Child disability payments could be increased as a way of



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protecting families against the impact of Covid, and to look at some of the supports, such as carer's allowance.

Lots of families struggle to get paid employment, and the value that we put on caring needs to be looked at as part of a child poverty strategy, because a lot of those households that are defined as workless are often caring for their disabled member. That contribution is huge to the economy and the NHS, so there are things that we could look at there.

Certainly, more support to charities such as Contact. Last year the majority of calls were to our family finances helpline. We increase families' income on average by £100 per week; around £5,500 a year. Being able to increase family incomes that way is important, because lots of the support that is out there is so difficult for families to navigate unless they have specialist support such as from charities, like Contact.

Peter Tutton: It is a good question. Going back to the need for strategy, the question about whether local or national schemes work better, and work better for different things, seems to be a strategic decision for policy-makers to think about, monitor and evaluate. It is probably a bit of horses for courses. Some things are well delivered locally.

I am not sure that some of the things that the old social fund used to do, in terms of community care grants and easing exceptional pressure, is being done as well by a localised equivalent or are more people going to credit instead? Maybe there is a need to bring back a more national system there or at least with a clearer single set of eligibility requirements.

We have argued for a while that there should be an expanded national no-interest loan scheme to try to head off people who are in desperate situations or who are on low incomes and need to do something like mend the boiler, mend the car, whatever, so that they do not end up going to high-cost lenders, which can start a cycle of debt and deprivation.

In other areas for things like fuel poverty there is a national scheme. It is administered by firms, but there are national schemes that could do better—but there are criteria. Firms work together to make sure, with things like water, that with social tariffs they equalise their eligibility criteria so that it is easier for advisers and it is easier for people who may need that help to understand whether they can get it or not.

It is a good question and there probably are areas where the national approach will work better, but that all talks to the need for a strategy of who is thinking about those decisions.

Sabine Goodwin: We need an overall strategy to combat poverty as a whole. Local welfare assistance schemes are part of a well-functioning social security system, ideally. There are all sorts of ways that local authorities and local schemes can help people in the here and now.



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In terms of reducing the need for foodbanks, which is our objective, the availability of crisis payments and cash payments—a cash-first response to food insecurity—is fundamental. But that needs to be working in line with overall changes to the social security system, ensuring that people are paid adequately and have enough hours to work, so that when they work they have adequate hours and they can live off the wages that they earn if they do have work. That is helpful.

Q78 Chris Stephens: I should probably ask the Committee to note that I have been a panellist in the Independent Food Aid Network's seminars and a lot of the work on the studies that they do.

Sabine, around the £20 uplift to Universal Credit, what evidence do you have that shows the impact of, first, the extension of the £20 uplift on child poverty and what do you believe the consequent effect will be if, as is planned, the uplift will be removed in October 2021?

Sabine Goodwin: Thank you, Chris. The £20 uplift to the Universal Credit has absolutely been incredibly helpful but it has not been enough. I am going to quote from Joyce Leggate of Kirkcaldy Foodbank, "The uplift did not appear to make much difference. We seem to have settled into roughly 60% more families needing support than pre-Covid".

Alison Grainger from Northallerton in North Yorkshire said, "I am not sure if the £20 a week has made that much difference to what is a barely subsistence level of benefit that people are expected to live on". Jen Coleman of Black Country Foodbank said, "The £20 uplift enables families to pay for extra heating and lighting when at home. However, I would say this extra money wasn't and isn't enough, because foodbanks still had to provide for a phenomenal number of children".

What we are seeing is, yes, it has helped but because there have been so many extra costs because of lockdown, because of children needing to have extra supplies because they are not at school, because of loss of work, because of loss of hours, it has been a fraction of the help it could have been. Without question, if we were to lose that uplift, this would send more and more families further into poverty. We should avoid this at all costs and consider improving the level of benefits all round so that fewer and fewer people need foodbanks.

Q79 Chris Stephens: Thanks, Sabine. Sabine touched on an issue there in that the Treasury is going to have to calculate whether there is a financial saving if it does remove the uplift. Looking, as the Committee has asked for, at the future plans for universal credit that should be in the Autumn Statement, what would you hope that the statement would say on universal credit levels and, indeed, on legacy benefits as it would affect your members, and, why, in terms of tackling child poverty?

Una Summerson: The £20 uplift has been welcomed. If it was to be removed, this would have a massive impact on those families that have claimed universal credit thinking that they will be better off. Some of the communications the Government have put out around everybody being



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better off under universal credit were quite misleading. We have had a number of calls from families that were worse off, even with the £20 uplift.

That is why we think that the Government need to look again at the cuts to child disability payments within universal credit, particularly in the light of the substantial increase in costs that families have faced over the last year due to the pandemic. That would have a substantial impact on around 100,000 low-income families with disabled children if the Government were to look again at the levels of child disability payments and, also, potentially to offer some form of transitional protection for families when the £20 uplift is taken off.

The real worry is when the furlough ends. Families are worried they may lose their job. Some families will not be able to go back to their jobs because they are still shielding because their children have not had a vaccination yet. If they then have to claim universal credit due to a change of circumstances—they have lost their job—those families should have transitional protection against the cuts to the child disability payments under universal credit as well.

Q80 Chris Stephens: Thanks, Una. Peter, the StepChange evidence you have presented to the Committee is a real concern, where your charity is saying that without the uplift about three-quarters or your clients on universal credit would have a negative budget and resultant further debt. What is the effect of increased debt on the levels of child poverty as it affects your members?

Peter Tutton: First is the increased debt mentioned before. There is an effect on the measure of child poverty if you take debt repayments and arrears repayments with things like council tax off someone's effective income. It leaves people with fewer resources. If it was included in the poverty measure as the Social Metrics Commission suggests, it would affect the poverty measure.

Reducing the support from universal credit will likely mean that more people fall behind. More of them will have negative budgets. That means more will fall behind on even basic payments, like fuel, council tax, rent, but also some will be drawn into borrowing to try to keep up with those things, aside from the fact that the reduction in income may push some of our clients from currently a positive budget.

The stats are about 44% of people who now—of those who will be extra pushed into a negative budget by removing the £20 uplift, about half currently have a positive budget. They may still be in poverty but the depth of their poverty is such that at least they can keep up with basic bills.

Taking off that uplift will push a cohort of people who are poor but just about managing to pay their basic bills, into a situation where they are unlikely to be able to pay their basic bills and they will be pitched back



into debt crisis. There will potentially be a bailiff at the door for council tax. They will be threatened with eviction. We have already 150,000 people perhaps facing eviction because of Covid. It will be adding to those kinds of numbers of hardship. That is the concern.

The £20 uplift has helped a lot of our clients, and clients quote that people would not have been able to feed their kids without it. Likewise, it is clear that even with it we have clients—there are quotes here, “I haven’t been able to buy clothes for my children”. “Sometimes we don’t have enough food in the house to eat.” A woman with a disabled child who had a set diet and other children saying she had to go 10 days without a proper meal herself in order to feed her kids. That is with the uplift. If you take that away, it is just going to get worse.

Chris Stephens: Thanks, Peter. I will hand back to the Chair. If we can get from the other panellists some indication of further insights into removing the uplift and how that affects debt to child poverty, we would be obliged.

Q81 **Chair:** Thank you very much. Sabine, I can see that you want to make a point. Can I take the opportunity to ask you a question? We have often heard on the Committee from the Trussell Trust. Is there a difference between the foodbanks in your network and the foodbanks in theirs or are your experiences pretty much the same?

If we look at your network and the Trussell Trust network, between you do you account pretty much for all the foodbanks or is there another whole set of foodbanks that are not in either network? Could you make whatever point you were indicating a moment ago and then respond to those questions as well?

Sabine Goodwin: Thank you very much, Chair. I want to reflect that the data from the Family Resources Survey, which have just been published by the DWP, found that 43% of households on universal credit before the pandemic had very low or low food security against 8% of the general population. That is a very striking figure before any uplift of £20 came along.

In answer to your question, Chair, no, of the Trussell Trust and the independent foodbanks that IFAN has identified, at least 1,052—I know there are definitely more—are a fraction of the food-aid picture in the UK. There are certainly at least 300 or so Salvation Army centres running foodbanks and we know now that one in five schools are running foodbanks. That is on top of the Trussell Trust and the independent foodbanks that we have identified. There are also thousands of other projects—community kitchens or soup kitchens or social supermarkets—that are providing food aid of sorts, helping people who are unable to afford to buy food in the usual shops or in the way that most of us are able to do.

The Trussell Trust’s data are invaluable. We know so much about the reasons behind the need for foodbanks but we must put that data in the



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context of food insecurity as a whole. We are pleased to see that the food insecurity measurement is now happening through the DWP Family Resources Survey. We would love to see the timeframe used extended for a year because we know, from analysing USDA data from the States, that figures double when you ask questions around food insecurity in relation to a year, as opposed to the 30-day measure that is currently being used.

In terms of how the Trussell Trust foodbanks operate, it is important to reflect that it usually uses a referral system. Many of the independent foodbanks may use a referral system or accept referrals but they often support people who self-refer, who may not be accessing agencies or who do not want to risk accessing agencies, particularly people with no recourse to public funds.

Independent foodbanks tend to see a lot of people who have no recourse to public funds. There is a tendency for people who are in work poverty to use independent foodbanks and not necessarily be in touch with the usual agencies or the referral pathways that people on benefits may be already in touch with.

There is sometimes a limit on the number of times that you can access a Trussell Trust foodbank, although you can always go back and try to access more support through referral agents. For some people it is a problem to access a faith-based organisation. Trussell Trust is a faith-based organisation so it is not always for everybody. They might not want to be accessing food aid through a church and so on.

It is important to reflect on the fact that, at all times, the food insecurity measurement is the most important measure that we could have, in terms of what is happening with regards to poverty related to the lack of ability to afford food. Foodbank data are the tip of the iceberg, whether it is independent and Trussell Trust foodbank data combined or even if Salvation Army data that existed were added to it.

Q82 Chair: Your point about the faith-based character, quite a lot of the foodbanks in your network are also faith-based, is that right?

Sabine Goodwin: Yes, they are, but some of them are not. I should be clear that we have identified at least 1,052 independent foodbanks but only 500 of those—I should not say “only”. Only about half of those are members of IFAN. There is a great number of independents that are not within our network.

I worked with Rachel Loopstra on a study of independent foodbanks, which was published at the end of 2019, which looked at the ways that independent foodbanks operated differently from the Trussell Trust and I can send that over to you.

Chair: Thank you, that is very interesting. Thank you all very much for the evidence you have given us this morning.

Chris said that if you had any further comments about the effect of



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removing the £20 a week we would be very interested to hear about those, and indeed anything else that may occur to you after the session that you want to communicate to us. Please e-mail us and we will be very keen to hear from you. Thank you very much for your time this morning. That concludes our meeting. Thank you, everybody, for taking part.