

## Written evidence submitted by Christians Against Poverty (CPW0009)

### Summary

Christians Against Poverty (CAP) welcomes the Welsh Affairs Committee's inquiry into child poverty in Wales. With 31% of children in Wales currently living in relative income poverty, this inquiry is timely and necessary. CAP provides free, FCA-authorized debt advice and community-based support across the UK, including Wales, and sees daily the realities that families face.

### Key points:

- Deficit budgets are a fundamental barrier: many households in Wales have incomes that do not cover the costs of essentials, meaning children are growing up in households where even basic needs cannot be met.
- The benefit cap continues to reduce the benefits brought about by removing the two-child limit, particularly affecting families who are out-of-work.
- Wales faces unique structural challenges, including high rural deprivation and unemployment.
- Child poverty cannot be addressed in isolation: it requires cross-government, cross-party and cross-nation collaboration, linking with strategies such as the Financial Inclusion Strategy and the Pride in Place Strategy.
- The Welsh Government should work strategically and proactively with Westminster but be driven by ambition to end poverty in Wales over alignment to Westminster. Wales has historically provided great examples for other nations to follow and should continue to do so.
- Existing community and voluntary sector providers, including churches and charities, must be considered, worked with, and resourced, rather than duplicated.
- The socio-economic duty must be maintained and actively implemented to ensure policy decisions consider the impacts on people experiencing socio-economic disadvantage.
- CAP would welcome further engagement with the Committee and is happy to facilitate conversations with parents who have experienced poverty firsthand.

### **1. What are the foremost barriers that could prevent Wales from realising the ambition set out in the UK Government's 2025 child poverty strategy?**

#### **Deficit budgets and inadequate household incomes**

A fundamental barrier is that many households in Wales are operating on deficit budgets- their income does not cover the cost of essentials. CAP's recent national polling (Savanta January. 2026) found that 18% of adults in Wales report having a deficit budget (their income doesn't cover the cost of essentials). CAP would encourage the Welsh Government to consider child poverty within the framework of what household budgets actually look like, rather than viewing child poverty in isolation. A child in poverty is a household in poverty.

### **The benefit cap**

CAP welcomes the UK Government's removal of the two-child limit on Universal Credit. However, without also increasing or removing the benefit cap, the positive impacts of this change will be restricted, particularly for out-of-work households. CAP would encourage the Welsh Government to advocate strongly for the benefit cap to be increased or removed entirely, to ensure the removal of the two-child limit translates into providing the full extent of the support needed for families with more than two children.

### **Lack of strategic coordination across policies and nations**

A significant barrier is if the Child Poverty Strategy is not outworked in strategic coordination and alignment with other relevant strategies and policies. CAP would encourage stronger ties with the UK Government's Financial Inclusion Strategy, the Pride in Place Programme, the Universal Credit Review, the Timms Review, and the Get Britain Working White Paper. Without this joined-up approach, initiatives risk working in silos and failing to address the root causes of poverty.

Similarly the outworking of the Pride in Place Programme in Wales must be explicitly linked to the Child Poverty Strategy to ensure that investment is not merely cosmetic but genuinely contributes to ending child poverty. If strategies are tied together, there is greater reassurance that investment will realise meaningful outcomes rather than surface-level improvements.

CAP would also encourage the Welsh Government to maintain its focus on the socio-economic duty. This duty must be more than a headline commitment; it requires active implementation, publicly available annual reporting on its impacts, and a continued push to encourage the Westminster Government to adopt a similar duty across the UK. If the socio-economic duty is not maintained and strengthened, there is a risk that policy decisions will fail to consider their full impact on families living in poverty.

### **Vulnerable groups disproportionately at risk**

Certain groups of children and families in Wales are more at risk of poverty than others. The benefit cap still impacts families with some households such as households who are out of work more likely to be affected. Ethnicity, gender, disability and geographical location all intersect to create additional barriers. If the

Child Poverty Strategy does not explicitly address these disparities and target support at the most vulnerable, it will fail to end child poverty for all children.

### **In-work poverty**

Employment is not always a pathway out of poverty due to factors such as low wages, insecure work, high costs. CAP's Savanta polling in January 2026 found that around 13% of adults in Wales report being in insecure work (such as zero-hour contracts or irregular hours). As highlighted in the strategy, addressing unemployment can only be one part of the strategy. So to prevent this from becoming a barrier to addressing child poverty, in-work poverty needs to be considered as the strategy is outworked.

## **2. How effectively do the UK and Welsh governments work together towards ending child poverty in Wales?**

CAP recognises that responsibilities for child poverty are split between Westminster and Welsh Government due to devolved responsibilities on key areas. This division of powers creates both opportunities and challenges.

CAP would encourage the Welsh Government to:

1. Work strategically and proactively with Westminster, but not let the desire for alignment reduce Welsh ambition. Wales has historically led on some issues, for example, council tax reform in Wales preceding similar changes in England and should continue to push ahead where it can.
2. Tie efforts and commitments in Wales to the UK Government's 2025 child poverty strategy, as well as with other UK-wide strategies such as the Financial Inclusion Strategy.
3. Continue to advocate for Westminster to use its powers to support families in Wales. This includes calling for the benefit cap to be increased or removed, for social security to be aligned with the cost of essentials (as calculated by the Essentials Guarantee campaign), and for the five-week wait for Universal Credit to be removed.
4. Maintain and strengthen cross-party commitment to ending child poverty, so that progress is not undermined by political cycles.

CAP also welcomes the role of the Welsh Government's Future Generations Minister. CAP would encourage the Welsh Government's Future Generations Minister to champion embedding this long-term thinking throughout the future further development and outworking of the Child Poverty Strategy, considering not

only current children but also the financial situations of future parents and households.

### **3. How well do devolved and reserved agencies co-ordinate their work towards ending child poverty in Wales?**

CAP would encourage stronger collaboration between the Welsh Government and existing community-based providers. CAP delivers free debt advice, money coaching, Job Clubs and Life Skills courses through churches across the UK, including Wales. These services are well-connected to local needs and can provide holistic, specialised support.

CAP would encourage the Welsh Government to work with existing organisations and third-party providers who are already providing support for families across Wales. In line with the aims of the Civil Society Covenant, Wales should consider how it can collaborate with existing community organisations to deliver cost-effective, holistic support.

CAP would also encourage Wales to look beyond England for examples of good practice, such as innovative approaches to tackling child poverty being carried out in Scotland and Northern Ireland.

### **4. Are children's voices in Wales heard loudly enough by policymakers in the UK Government?**

CAP welcomes the involvement of people with first-hand experience in all policy-making and decision-making processes. The voices of children and families with lived experience of poverty must be at the heart of decision making. CAP acknowledges that the Welsh Government has made efforts to engage with children and young people in policy-making, and CAP welcomes this commitment. However, CAP notes that child poverty cannot be seen in isolation: it affects whole households and communities, and the voices of parents and carers must also be heard.

CAP would be happy to facilitate conversations with parents who have experienced poverty, to share their firsthand perspectives with policymakers, if the Committee would find this valuable.

### **5. How can data collection be improved to better understand and map the extent of child poverty in Wales?**

No comment provided.

## 6. How could better data be harnessed to design and deliver measures that more effectively address child poverty in Wales?

No comment provided.

### **About Christians Against Poverty (CAP)**

Christians Against Poverty (CAP UK) won't sit back and let poverty destroy lives. CAP is a UK-wide charity that equips local churches with the tools and expertise to support people facing debt and other financial challenges in their communities.

**CAP Debt Help** provides holistic support for families and individuals facing problem debt with a free face-to-face service – tackling both the financial challenge and the wider emotional impact. CAP tackles the causes and consequences of UK poverty through free community groups, also run through local churches.

**CAP Money Management Courses** give people the opportunity to learn skills that have a lasting impact on their finances.

**CAP Job Clubs** equip people experiencing unemployment with practical tools to enter employment, whilst also supporting them to rebuild their confidence and self-esteem.

**CAP Life Skills groups** offer a course designed to provide practical money-saving techniques and how to make money go further.

All CAP's services are free of charge and available to everyone, regardless of age, gender, faith and background. To find out more, visit [capuk.org](http://capuk.org)

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