

Written evidence submitted by Children in Wales – Plant yng Nghymru (BSW0034)

Children in Wales is the national umbrella organisation in Wales for children and young people's issues, bringing organisations and individuals from all disciplines and sectors together. One of our core aims is to make the **United Nations Convention on the Rights of the Child (UNCRC)** a reality in Wales. Children in Wales campaigns for sustainable quality services for all children and young people, with special attention for children in need and works to ensure children and young people have a voice in issues that affect them.

Children in Wales works closely with its member organisations and has an established and recognised number of national professional forums and networks. This provides an opportunity for a broad range of our members to share knowledge and expertise on particular thematic priorities, with a view to maximizing capacity and impact across the sector and to coproduce agreed positions in relation to policy and legislation.

Children in Wales established and facilitates the **End Child Poverty Network Cymru** (since 2001) which is the national child poverty network of professional organisations focused on the elimination of child poverty in Wales. Together with our partners, we have actively campaigned for legislation, policy and programmes to be put in place to help prevent and mitigate the impact of poverty on children, young people and their families. We have actively contributed to policy and practice developments by working with successive governments, and have organised events and published a number of publications, including our bi-annual Child and Family Poverty Survey Report.

For further information on the work of **Children in Wales**, please see www.childreninwales.org.uk.

Our Response

Children in Wales welcomes the House of Commons Welsh Affairs Committee Inquiry into the Benefit System in Wales and are pleased to submit this response as a contribution to inform your examination. Our response draws upon our knowledge and lengthy involvement in this policy field over many years, and present activity in Wales.

Context: Child Poverty in Wales

Child poverty is a child rights violation. It is almost 30 years since the UK Government ratified the United Nations Convention on the Rights of the Child (UNCRC) on the 16th December 1991. Since then, the UN CRC Committee have released periodic reports to the UK and devolved governments raising concerns of the high, and sustained growth in the number of children in poverty.

Following the last examination in 2016, the UN Committee was seriously concerned about the impact of poverty on children and the disproportionate impact on children with particular characteristics and those living in certain household types. Their Concluding Observations¹

drew attention to the repeal of the **statutory child poverty reduction targets** under the Child Poverty Act 2010 and the effect of changes to child tax credits and social security benefits (including the introduction of the **Benefit Cap** and **Bedroom Tax**) regardless of evidence of need and hardship. They called upon the UK Government to conduct a comprehensive assessment of the cumulative impact of welfare reforms on children which has still not been undertaken. Presently, as part of the current 2020-22 reporting round, the UN have once again called for an assessment of the impact of recent reforms on children.²

Child poverty has remained persistently high. Informed by recent sobering pre-pandemic figures from the DWP/Welsh Government³, headline statistics are that

- Wales now has the worst child poverty rate of all the UK nations, with 31% of children living below the poverty line – a 3% increase from the previous year
- Even before the pandemic, almost 200,000 children were living in poverty in Wales, with a higher proportion of children affected than at any point in the past 5 years.
- This equates to almost 9 children in a classroom of every 30 pupils
- Wales has witnessed the biggest increase in child poverty levels compared to the other 3 UK nations
- Children are more significantly likely to live in income poverty compared to other household types
- Some children are disproportionately at greater risk of being in a low income family compared to their peers, dependent on their characteristics or family structure (for example, children living in single parent families)⁴
- Almost $\frac{3}{4}$ of all children in poverty live in a household where someone is working, which is a significant increase over the past few years, with low pay, insecure employment, high housing rental and childcare costs amongst the factors pushing more working families into poverty.^{5 6}
- The poorest children already start school 10 months behind children in more affluent families

Whilst child poverty is dispersed across every part of Wales, there are significant concentrations in certain parts of the country. According to figures from the End Child Poverty UK Coalition⁷ (2021)

- In all 22 local authorities in Wales, at least one in five children are living below the poverty line.
- Cardiff is the local authority with the highest child poverty rate in Wales, with over a third (36%) of children in Cardiff South and Penarth living below the poverty line.
- Wrexham is the local authority area with the greatest growth in child poverty over the past five years - rates have risen at almost three times the Welsh national average.

¹ United Nations (2016) [UK Concluding Observations](#)

² UN CRC Committee (2021) [List of issues Prior to Reporting](#)

³ Stats Wales (2021), [Relative Income Poverty 2019-20](#)

⁴ Joseph Rowntree Foundation (2020) [Poverty in Wales 2020](#)

⁵ Stats Wales (2020) [Children in relative income poverty by economic status of household](#),

⁶ Chwarae Teg & Bevan Foundation (2019), [Trapped: Poverty amongst women in Wales today](#)

⁷ ECP (2021) [Local child poverty indicators 2019/20](#)

Children in low income families are now on average living further below the poverty line than they were five years ago, experiencing poorer outcomes and greater hardship across a range of indicators.⁸ According to Welsh Government figures, material deprivation is affecting a significant proportion of children, with around 11% of children experiencing combined low-income and material deprivation,⁹ which increases to 17% if a child lives in a single parent households.¹⁰

Impact of the pandemic

The economic impact of the pandemic, especially for those children in low income households, has been profound and has served to exacerbate pre-existing inequalities¹¹. Many families who were previously struggling have experienced declines in incomes through temporary/permanent reductions in working hours and job losses, which has coincided with increased living costs due to lengthy periods at home and temporary school closures.

Seven out of ten families receiving social security benefits had to cut back on essentials such as food, utilities, clothing and activities for children as a result of the impact of the pandemic.¹² During the pandemic, a record number of referrals were received by foodbanks, with the Trussell Trust delivering over 54,000 emergency food parcels for children in Wales.¹³ Over 22% of children in Wales are now eligible for Free School Meals, which rises to almost 1 in 3 children in more deprived areas, with eligibility at its highest level for 20 years¹⁴. More households are in receipt of Universal Credit, and almost 209,000 Covid related payment were made through the Welsh Government Discretionary Assistance Fund¹⁵

Children in Wales Child & Family Poverty survey report 2021

Children in Wales conducted a survey during the pandemic amongst our extensive professional network to ascertain what the main poverty related issues families presented with, when approaching services for support. Our bi-annual Child and Family Poverty Survey Report 2021¹⁶ is due for release in September and will again identify the top poverty related issues in Wales and provide a comparison with previous years.

Our analysis will show a sharp increase in families falling into poverty since the pandemic began, with the main issues being reported by practitioners being the impact of the benefit system, debt, childcare costs, food insecurity and employment insecurity/salary levels.

Current approach in Wales

⁸ Child Poverty Action Group (2020) [Dragged Deeper: how families are falling further and further below the poverty line](#)

⁹ Stats Wales (2019) [Material Deprivation headline figures](#).

¹⁰ Welsh Government (2019) [National Survey for Wales 2017-18: Poverty and deprivation](#)

¹¹ Bevan Foundation (2020) [Reducing the impact of Coronavirus on Poverty in Wales](#)

¹² Joseph Rowntree Foundation & Save the Children (2020) [A lifeline for our children: Strengthening the social security system for families with children during this pandemic](#)

¹³ Trussell Trust (2021) [End of Year stats](#)

¹⁴ Wales Online (2021) [More than one in five pupils in Wales receiving free school meals as thousands more become eligible during the pandemic](#).

¹⁵ Welsh Government (2021) [Summary data about coronavirus and the response to it:26 May 2021](#)

¹⁶ Children in Wales (forthcoming) Child and Family Poverty Survey Report 2021

Efforts to tackle child poverty at a devolved level are undermined by the UK benefit system. During the pandemic, the Welsh Government utilised their devolved powers by extending free school meals provision by enabling eligible families to access food during periods of school closures and in school holidays¹⁷. This will continue until Easter 2022. The Welsh Government also increased the amount of funding available for the Discretionary Assistance Fund (DAF) to help tackle hardship and address increasing demand for financial assistance during the pandemic.¹⁸

The Wales UNCRC Monitoring Group (2020) highlighted some important shortcomings with the approach taken in Wales to financially support low-income families. Though there are a plethora of targeted schemes available, there are significant variations in terms of eligibility criteria and application processes which often require multiple submissions, with insufficient levels of financial assistance to make a significance difference to household's income.¹⁹

Following an extensive inquiry, the Welsh Parliament's Equality, Local Government and Communities Committee (2019) recommended that the Welsh Government establish a coherent and integrated '**Welsh Benefits system**' for all means tested benefits for which it is responsible for²⁰. Momentum continues to build for Wales to establish such a system as a single point of access, with greater consistency of application across local authorities and an expanded eligibility criterion based around entitlement not discretion.²¹

The Committee report also called for an extensive **awareness raising campaign** to improve take up of benefits in Wales. The previous Welsh Government released a 6-month action plan to help maximise the income of families in poverty and established a task and finish group to locate best practice of simplifying application processes between a range of benefits administrated by welsh local authorities.²² A Best practice toolkit was produced.²³

We believe that this work should continue and be accelerated, particularly given that awareness levels continue to remain an issue. For example, many care leavers and children about to leave care engaged through our Getting Ready Project²⁴ have presented with low levels of awareness of entitlements to both devolved and non-developed benefit, including Council Tax for which all care leavers are exempt in Wales.

Recommendations

In the context of the parameters of this inquiry, Children in Wales, with our End Child Poverty Network Cymru partners²⁵, continue to call on the Welsh Government to

¹⁷ Welsh Government (2020) [Marcus Rashford MBE backs Welsh Government decision to ensure free school meal provisions for every school holiday until Easter 2021](#)

¹⁸ Welsh Government (2020) [Discretionary Assistance Fund: Press Release](#)

¹⁹ Wales UNCRC Monitoring Group/Children in Wales (2020) [State of Children's Rights in Wales](#) Evidence received from Bevan Foundation

²⁰ W/Parliament (2019) ELGC Committee -[Benefits in Wales: Options for Better Delivery](#)

²¹ Joseph Rowntree Foundation (2020) [Poverty in Wales 2020](#) and W/Parliament (2019) ELGC Committee -[Benefits in Wales: Options for Better Delivery](#)

²² Welsh Government (2020) [Child poverty: income maximisation action plan 2020 to 2021](#)

²³ Welsh Government (2021) [Simplifying application processes for local authority administered benefits: best practice toolkit](#)

²⁴ Children in Wales - [Getting Ready Project](#)

²⁵ ECPN Manifesto (2021) [Senedd Election – Child Poverty: A Manifesto towards Eradication 2021](#)

- Publish a revised statutory **Child Poverty Strategy with Delivery Plan**, with clear measureable and ambitious milestones, supported by transparent monitoring arrangements

The Welsh Government and Welsh public bodies have a statutory duty to take action to tackle child poverty through the Children and Families (Wales) Measure 2010. There are also complimentary duties on local authorities to report such actions through the Well-being of Future Generations (Wales) Act 2015. Furthermore, following enactment in March 2021 of Part 1 of the Socio-economic duty prescribed through the Equality Act 2010, named public bodies must have due regard of the need to reduce inequalities of outcome resulting from socio-economic disadvantage when taking decisions of a strategic nature²⁶.

- Increase the eligibility threshold for **Free School Meals** to ensure that all children whose parents are in receipt of Universal Credit are entitled during the school term and throughout the school holidays, and take steps towards universal entitlement for all.

Whilst we applaud the steps taken during the pandemic, Free School Meal entitlement is more restrictive in Wales compared to all other UK nations.²⁷ Many children are still going hungry during the school day due to the current threshold²⁸ restricting eligibility. According to CPAG (2020) over 50% of children living in poverty are not entitled to receive free school meals because they are not seen as sufficiently poor.²⁹ The Bevan Foundation (2021) meanwhile have set out the case for reform, the costs involved and how current barriers can be overcome.³⁰ Though we are encouraged by the new Programme for Government³¹ commitment to review the eligibility criteria, we are awaiting the necessary detail, conscious that successive attempts through opposition party debates³² in the Welsh Parliament to address the deficit have not been supported by the ruling party.

- Establish a **Welsh Benefit System**, as a single point of access for assistance, to help address some of the shortcomings with the approach taken in Wales to financially support low-income families.

We are also encouraged to see a commitment in the new Programme of Government to expand the work around income maximisation and the single advice fund, which we hope will provide a more streamlined and consistent approach to families accessing much needed financial support. Again, we await the necessary detail.

An additional announcement is a commitment to pilot **Universal Basic Income** in Wales. We understand that the Welsh Government propose to pilot this with care leavers in Wales³³

²⁶ Welsh Government (2021) [A More Equal Wales: Socio-economic Duty: Statutory Guidance](#)

²⁷ Although the eligibility threshold in Wales is the same as for England and Scotland, those countries provide universal free provision for all children in the first 3 years of their education. Northern Ireland has a higher eligibility threshold of £14,000

²⁸ Since 2018, households receiving Universal Credit are only be eligible for free school meals if their family income is below £7,400 (before benefits are taken into account)

²⁹ Child Poverty Action Group (2020) [Expanding Eligibility for Free Schools Meals in Wales](#)

³⁰ Bevan Foundation (2021) [Why expanding free school meals is achievable](#)

³¹ Welsh Government (2021) [Programme of Government 2021-26](#)

³² For example, [Plaid Cymru Debate – Free School Meals](#)

³³ BBC News (2021) [Wales UBI pilot could focus on care leavers in Wales](#)

, although there have been recent calls for this to be expanded and trialled to all households within a geographical area³⁴. We would fully support both approaches being piloted with a robust evaluation in place, measuring the impact on reducing child poverty and delivering improvements to the wellbeing outcomes of children. We have been particularly encouraged by the finding of a scoping report by Public Health Wales³⁵ and the potential for the scheme to provide greater opportunities and choices for children, as well as helping to support and maintain quality family time between parents and children.

Nevertheless, how ambitious the scope of the pilot will be and whether the Welsh Government will provide sufficient resources to truly make significant inroads in tackling hardship and reducing child poverty rates. This is highly questionable in the absence of other fiscal measures being in place and a degree of cooperation with the UK Government, given the scale of the challenges, the resources required and the issues pertaining to competencies in respect of the tax and benefit system.

UK Benefits System and reforms required

With the exception of the DAF and CTB, competency around the social security system rests with the UK Government. This creates barriers to the actions devolved government can deliver to protect families and to mitigate the impact of poverty.

The UN Special Rapporteur on Extreme Poverty and Human Rights undertook a fact-finding visit in 2018 to examine government's efforts to eradicate poverty, with Children in Wales hosting the roundtable event in Wales. Amongst his conclusions was that 'successive governments have presided over the systematic dismantling of the social safety net in the UK.....[and] government policies have inflicted great misery unnecessarily, especially on....millions of children who are locked in a cycle of poverty from which many will have great difficulty escaping'^{36 37}

Despite positive, yet temporary uplift of certain benefits introduced as a result of COVID-19 by the UK Government, fundamental problems persist with the state not providing an adequate level of financial support for families. Problems with the UK social security system have been well documented, included through the evidence received from Wales based individuals and organisations which informed the recent report to the UN from the Wales UNCRC Monitoring Group³⁸. Issues typically referenced by recipients of benefits and the professionals who support them include delayed payments, sanctions, the benefit cap and the two-child limit which restricts support through tax credits and universal credit to the first two children in a family³⁹

We continue to support calls for the UK Government to abolish the two-child limit and retain the temporary uplift of Universal Credit.

³⁴ UBI Lab Wales (2021) [First Minister: Back a 'Care Leavers Plus' pilot of Universal Basic Income in Wales](#)

³⁵ Public Health Wales (2021) [A Basic Income to Improve Population Health and Well-being in Wales](#)

³⁶ United Nations Human Rights Special Procedures (2018) [UN poverty expert says UK policies inflict unnecessary misery](#) (press release)

³⁷ Human Rights Council (2019) [Report of the Special Rapporteur on Extreme Poverty and Human Rights.](#)

³⁸ Wales UNCRC Monitoring Group/Children in Wales (2020) [State of Children's Rights in Wales](#)

³⁹ Child Poverty Action Group (2020) [The Two-Child Limit Now Affects almost 1 million children](#)

Two-child limit

According to figures released by the DWP, almost 15,000 households in Wales are unable to claim support for at least one of their children due to the two-child limit, which is a significant increase on pre-pandemic figures⁴⁰. CPAG estimate that around 350,000 families have been affected in total⁴¹. It is clear that poverty rates for families with more than 3 children are rising fast, and at 46%, significantly higher than the poverty rate for all children in Wales⁴². The loss of benefit is worth £2,900 per child per year, a significant negative impact on larger families.

In a recent letter⁴³ to the Secretary of State for Work and Pensions, and ahead of an inquiry on child poverty measurements held by the UK Parliament's Work and Pensions Committee (May 2021), the Children's Commissioner for Wales called for an end to the discriminatory two-child limit on Universal Credit and Child Tax Credit, citing the policy as a clear breach of children's human rights. This intervention was particularly timely given the recent disappointing Supreme Court judgement⁴⁴. We are aware that the Commissioner has received a response to their letter which does not commit to taking any steps in this regard.

Universal Credit (UC)

We support calls for the £20 a week uplift in UC to be made permanent beyond September 2021, as low-paid working families are set to be worse effected if the policy is reversed. As many of the positive changes to UC introduced during the pandemic are being reversed, there are real fears that this much needed increase will also be abandoned, leading to an exceptional increase in child poverty⁴⁵ at a time of increased fuel prices.⁴⁶ We are not aware of any impact assessment underway or having been published. The uplift however reinforced the view that the value of UC is insufficient, and is no insurance against child poverty, and certainly doesn't go anywhere near to addressing the cuts families have experienced over many years.

Our forthcoming Child and Family Poverty Survey Report 2021 will show support for the retention of the uplift and the fears that its removal will increase levels of debt and financial hardship.⁴⁷

There are also demands to address the four year freeze on the child element of UC⁴⁸ and to end the **benefit cap** which we support. The UK Government should also introduce and monitor an ambitious and coherent **UK Child Poverty Strategy** which meets the needs of children and families in Wales in respect of areas which are non-devolved.

Conclusion

⁴⁰ [DWP/HMRC \(2021\) Child Tax Credit and Universal Credit: statistics related to the policy to provide support for a maximum of 2 children](#).

⁴¹ Child Poverty Action Group, Church of England (2021) [The impact of the two-child limit after four years](#)

⁴² Stats Wales (2021) [Children in relative income poverty by number of children in the household](#)

⁴³ Children's Commissioner for Wales, Scotland and Northern Ireland (2021) [Letter to the Secretary of State for Work and Pensions](#)

⁴⁴ Child Poverty Action Group (2021) [Supreme Court decision](#)

⁴⁵ See Resolution Foundation (2021) estimate that 730,000 more children will be brought into poverty over the next 5 years if the uplift is not maintained

⁴⁶ Independent (2021) [Energy price cap: £139 bill rise and Universal Credit cut will create 'perfect storm' for millions of families](#)

⁴⁷ Children in Wales (forthcoming) Child and Family Poverty Survey Report 2021

⁴⁸ Child Poverty Action Group (2021) [Universal Credit](#)

In the absence of significant investment and without a strong political commitment, child poverty in Wales looks set to increase substantially. The loss of EU funds and uncertainty around replacement resources, coupled with the immediate and the lasting impact of the pandemic, has amplified genuine concerns around the adverse impact on children's life chances and well-being. Whilst we will continue to press the Welsh Government to use the maximum level of available resources to invest in early intervention and preventative actions, and to mitigate the impact of poverty within their areas of power, it is inconceivable that this will be sufficient alone. If there is a commitment to tackle poverty and improve outcomes for children, there must be a focus on the value of benefits and the welfare system.

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