

Poverty News

April 2011

Bedford Borough Edition

National News

Welfare Reform Bill - biggest changes to the benefits system in 60 years

The Government has promised to “make work pay” when setting out its plans to ensure people are better in work than being unemployed in the Welfare Reform Bill.

The Government claims the the Bill, which was introduced to Parliament in February, will make the the benefits and tax credit system fairer by getting more people into work, protecting the most vulnerable in society, and delivering fairness to those claiming benefits and to the taxpayer. However, the Government’s claims of fairness have been disputed by many charities and other bodies including the Institute for Fiscal Studies which has called the proposed changes “an attack on the poor”.



Important elements in the Welfare Reform Bill, include:

- A single Universal Credit to replace a range of current means-tested benefits in 2013
- Penalties of up to three years loss of benefits for those refusing to work
- Changes to enable people in work to keep more benefit income
- An annual benefit cap of £26,000 per family
- Cuts in Housing Benefit for tenants in social housing who are “under-occupying” their homes
- Major changes to Disability Living Allowance

Central to the Government’s plans is the creation of a Universal Credit. The Work and Pensions Secretary Iain Duncan Smith has said “The Universal Credit will make sure that the poorest in society will be better off”. The new benefit will see existing out-of-work and in-work means-tested benefits, such as Jobseeker’s Allowance, Income Support and Housing Benefit, replaced by a single payment. Ministers agree that the current system actively discourages claimants from looking for work, or those on low-paid jobs from increasing their hours.

These planned future changes will be in addition to the major cuts in benefits that have already been introduced this month, such as limits on Housing Benefit payments for private tenants, and reductions in tax credit entitlement.

National Child Poverty Strategy published

On 5th April the Government published the first national Child Poverty Strategy - *A new approach to child poverty: Tackling the causes of disadvantage and transforming families’ lives.*

The Child Poverty Strategy, which the Government has a legal duty to produce, sets out the framework to tackle poverty in the UK from 2011 to 2014. The Strategy is founded on the principles of: strengthening families; encouraging responsibility; promoting work; guaranteeing fairness; and providing support to the most vulnerable.

The Strategy also focuses on the life chances of children by trying to support families and raise aspirations. Key policies linked to the Strategy are:

- Fairness Premium - which will provide £7.2 billion in the next three years to help the most disadvantaged children to get a better education
- More health visitors for Sure Start Centres
- Universal Credit - which will reform welfare provision and will help families work their way out of poverty
- Back to Work programme - which will help those struggling to enter the labour market

A copy of the Child Poverty Strategy can be found at:

www.education.gov.uk/childrenandyoungpeople/families/childpoverty/a0076385/child-poverty-strategy

Comments on the Strategy and further information on child poverty can be found on **Page 3** of *Poverty News*..

If you have any comments on **Poverty News**, or would like to contribute an article, please contact Infotrain on 01234 360607

1 in 5 children living in poverty in the Borough

Recently released figures show that nearly 7,000 children are growing up in poverty in Bedford Borough. This amounts to 19.4% of children living in the Borough or almost 1 in 5 children. The majority of these children (4,285) are aged under 11.

The data, which is included in the Borough's first Child Poverty Needs Assessment (see **Page 3** of *Poverty News* for further details on the draft CPNA), also shows that four of the Borough's wards have child poverty rates of over 30%. These wards are Kingsbrook, Queen's Park, Cauldwell and Goldington.

Even more shocking is that within wards there are 8 smaller areas (called Lower Layer Super Output Areas) that have child poverty rates of over 40%, including one LSOA (in Queen's Park) with a rate of over 50%.

Although child poverty is much lower in the rural areas of the Borough, data at the very local level shows that there are "hidden" pockets of rural poverty. In fact four small rural areas are in the 10% most deprived nationally in terms of access of key services.

A major concern is that the figures in the draft CPNA are from 2008, which is the latest official data available. So actual child poverty locally is likely to be higher now because of the current economic problems.

Bedfordshire CPAG - new work plan



Bedfordshire CPAG is a local branch of Child Poverty Action Group, the renowned national campaigning charity on child poverty issues.

At its recent AGM, Bedfordshire CPAG elected a new Chair, Katie Williams, and the Group set out its work plan for 2011. The Group aims to be a collective voice for local people and communities on family poverty issues.

Katie said: "This year will be an especially important one in terms of beginning to monitor the national and local approaches being taken to tackle child poverty. As well as the launch of the national Child Poverty Strategy, local strategies need to be produced in Bedford Borough and Central Bedfordshire. Beds CPAG will play an active role in checking whether these strategies actually make a positive difference to the lives of children and families in the local area."

More details on Bedfordshire CPAG and its work can be found on the Group's updated and revised website: www.bedscpag.org.uk

Advice Strategy - helping to tackle poverty

Bedford Borough Partnership Board has recently endorsed the Advice Strategy that has been developed to help deliver a key aim in the local Sustainable Community Strategy.

The SCS recognises that high quality, social welfare advice services, especially aimed at vulnerable and marginalised people in the community, are an essential part of tackling inequality and poverty.

The Advice Strategy, which has been developed by a multi-agency Planning Group organised by Bedfordshire Advice Forum, outlines, for the first time, a strategic approach to the planning, funding and delivery of social welfare advice services in the Borough. This will hopefully lead to better outcomes for individuals and benefits to local communities.

An Action Plan to implement the Strategy is currently being developed. Key actions include: setting up an Advice Management Board to oversee the planning of local advice services; developing a funding plan for advice provision in Bedford Borough; and encouraging collaborative working between local advice providers.

Copies of the report on the development work, the Advice Strategy, and the draft Action Plan are available on BAF's website: www.bedsadviceforum.org.uk

Successful training programme for advisers

Bedfordshire's Redundancy Support Group has recently funded a training programme to help local voluntary sector agencies train advisers to help deal with the increased demand for advice during the economic crisis.

The programme of six courses, which was organised by Bedfordshire Advice Forum, was very successful and was attended by a total of 89 participants.



43 new or inexperienced advisers attended the first part of the programme which consisted of three introductory courses in January on benefits entitlement, redundancy rights, and dealing with debt.

A further 46 more experienced advisers then attended three courses in March and April on the Welfare Reform changes that are being introduced from this month.

The feedback from the courses was very positive with, for example, 100% of the participants on the three Welfare Reform courses saying that the courses fully fulfilled their expectations.

Child Poverty Strategy to “make British poverty history”?

Last year saw the introduction of the Child Poverty Act 2010 which made tackling child poverty a legal requirement for the Government and for local authorities and their partners.

A requirement under the Act was for the Government to publish a Child Poverty Strategy before the end of March 2011.

This Strategy has now been completed and sets out a national plan to tackle and eradicate child poverty by 2020 (see **Page 1** of *Poverty News*).

Currently around 3.5 million children are still living in poverty in the UK and the strategy has been published in difficult times with wages stagnating, benefits being cut and prices for essentials like food and fuel rising much faster than incomes.

The Prime Minister has promised that the new Strategy will “make UK poverty history”. Sarah Teather, the Children’s Minister, has repeatedly stated that targets to reduce child poverty will be kept by the Government.

**“ We can make
British poverty
history and we will
make British poverty history ”**

David Cameron

However, other groups do not share the same optimism. In fact Child Poverty Action Group has even called the Strategy unlawful because it has not set up the independent Child Poverty Commission, that is required by the Child Poverty Act to scrutinise the Strategy and monitor the Government’s

progress to tackle child poverty. CPAG has also called the Strategy “incredibly disappointing” as it does not set out how poverty numbers will fall and by when, and is set against a backdrop of cuts in benefits that will make families poorer.

New figures reveal severe child poverty over 1.5 million

Save the Children had called on the Chancellor to draw up an emergency plan to tackle severe child poverty as new figures from the charity reveal the number of children living in the deepest poverty remains unacceptably high at 1.6 million.

With increasing unemployment and cuts in welfare payments, Save the Children’s fears that even more children will be forced into severe poverty in the coming months without urgent and concerted action. The charity had unsuccessfully called on the Chancellor to announce an emergency plan in the recent Budget to channel new jobs into the poorest areas as well as increase financial support for low-income families, for example, by paying for more childcare costs enabling parents to work.

The full report is available at: www.savethechildren.org.uk

60% of poorest children fail to reach good behaviour levels

Stark inequalities in children’s development between local authorities are revealed by data published by Sir Michael Marmot, a public health specialist and author of Fair Society, Healthy Lives. His report argues that the key determinants of health relate to different issues including employment, the welfare state and child development.

Almost 60% of five year olds in some of Britain’s poorest areas do not reach a “good level” of behaviour and understanding - double that found in wealthier suburban parts of England. According to Marmot “education and child development are key for health” and “investing in pre-school years pays most dividends”. Marmot has also expressed concern that the government is just focusing on the poorest in society - the middle stratum of society also needs help and “cuts to Sure Start and children’s centres won’t help”.

Bedford Borough - Child Poverty Needs Assessment

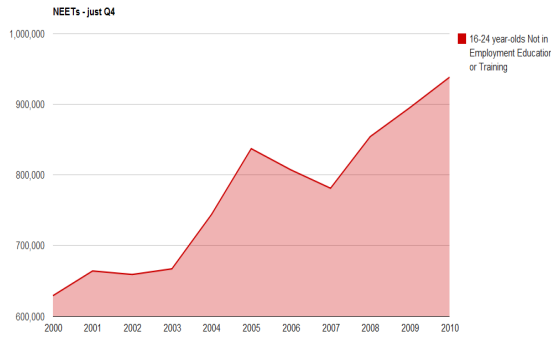
A draft Child Poverty Needs Assessment (CPNA) for Bedford Borough has recently been completed and is now out for consultation. Headline figures from the CPNA are given on **Page 2** of *Poverty News*.

The CPNA has been produced on behalf of the Borough’s Poverty Task Force, which has representation from all agencies working with children, young people and their families (including services for vulnerable adults). The Task Force in turn reports to the Bedford Borough Partnership (BBP) - the local strategic partnership for the area.

As the CPNA will shape how issues are dealt with by public services, the Task Force is inviting comments on the draft document to ensure that it is fit for purpose and addresses the needs of the community. The consultation is running for 8 weeks and will close on 26 April.

The draft Needs Assessment is hosted on the following link: www.bedford.gov.uk/cpna which contains a link to the document and for comments. Comments can also be made by email to: policygroup@bedford.gov.uk

Young jobless reaches record high



The number of 16 - 24 year-olds not in education, work or training in England reached a record year-on-year high at the end of last year, according to statistics from the Department for Education.

938,000 young people were officially “NEETs” in the October to December 2010 quarterly statistics. 43,000 more than in the 4th quarter the previous year. This means that 15.6% of all 16 to 24 year olds in England were not in education or work, compared with 13.1% in the last quarter of 2007. The think tank Demos has warned that the number of unemployed young people could grow to 1.2 million over the next five years.

In the East of England figures reveal that 15.8% of young people are “NEETs” compared to 12.1% at the end of 2007. Although these regional “NEET” figures are in line with the national average, there is some concern, because general unemployment in the East of England is traditionally lower than the national average.

Social Mobility

A new strategy on social mobility has recently been launched by the Government.

The strategy aims to ensure that everyone has a fair chance to get a better job than their parent, and aims to tackle unfairness at every stage of life with specific measures to improve social mobility from the foundation years to school and into adulthood.

The strategy, “*Opening doors, breaking barriers*”, can be found at: www.dpm.cabinetoffice.gov.uk

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NB Although Bedford Borough Council has provided funding for *Poverty News*, this publication does not in anyway reflect the views of the Council

Back to Work scheme

The Government has recently announced a “Back to Work” programme where companies will be paid to help unemployed people find work.

Contracts worth around £3 - £5 billion will be issued over the next seven years to companies involved in the scheme. Companies will only be paid on results and payments will range from £1,000 to a maximum of £14,000, where somebody on incapacity benefits is helped to get back into work and then stays in work for two years.

Ministers hope that that more than 1 million people will be supported by the programme in the first two years. However, these figures, and the likely success of the scheme is disputed by the Shadow Government because of rising unemployment.

Poor pay more for heating and basic services

New research by Save the Children and Church Action on Poverty has found that families on low incomes pay out nearly £1,300 more each year for basic goods and services than the better off.

Around 20% of this “Poverty Premium” is the additional costs paid by the poor on fuel bills. Poorer families pay on average £1,135 to heat their homes compared to £880 for other families. This is because people on low incomes are often forced to use expensive prepayment systems for energy, rather than being able to use cheaper direct debit payments. It is now estimated that up to 5 million people in the UK are living in fuel poverty, where they have to spend more than 10% of their income on heating.

Other costs in the “Poverty Premium” included the higher cost of borrowing and insurance premiums. Families on low incomes often have a poor credit history and cannot get credit from banks and building societies. They sometimes end up turning to doorstep lenders or catalogues which charge higher interest rates. The research report gives an example of a basic household cooker costing £239 when bought outright, ending up costing £699 if a low income family buys it from a high interest lender with no credit check. Low income families are also routinely paying much higher insurance premiums and paying high fees for cashing cheques via payday lenders.

Martin Lewis, who worked with Save the Children to calculate the Poverty Premium said: “It is ridiculous but true - it costs more to be poor”. Sally Copley, from Save the Children, added that: “We believe the Poverty Premium is totally unfair and is ripping off low income families who are already struggling to make ends meet”.