

Local Government Association

Westminster Hall debate on levels of child poverty

Tuesday 26 January 2016



Key messages

- Councils are best-placed to understand the range of needs faced by disadvantaged children. Despite this, local government currently has limited scope to provide integrated support or influence the quality of early years and education provision.
- The Government should be commended for the additional investment it is making in early years provision. Nonetheless, reductions in early intervention funding have seen a number of councils take difficult decisions to close children's centres and reduce services. We urgently need to reform how funding is allocated to encourage joint working and investment in early intervention.
- We welcome the focus on the negative impacts of poverty in the early years of a child's life outlined in the Prime Minister's recent speech on life chances. However, the provisions in the Welfare Reform and Work Bill do little to address the reasons why people claim benefits.
- Poverty and health outcomes are closely linked. Poor maternal health and poor early years health and nutrition are strongly associated with socioeconomic disadvantage. Reductions to public health funding for programmes targeted at families are therefore likely to have a detrimental impact on health outcomes for children from deprived backgrounds.

Background

We welcome the focus on poverty in a child's early years outlined in the Prime Minister's recent speech on life chances. This recognised that the early experiences of children from more deprived backgrounds have an impact on life chances, attainment and social mobility.

Councils are best-placed to understand the range of needs faced by children and families, but their scope to provide integrated support and ensure good quality family and early years provision is constrained by the current funding formula and lack of influence over key partners, for example in education and employment.

There were welcome announcements in the Spending Review, in particular the additional funding for the extension of free childcare for working parents and the review of early years funding as part of the wider review of the funding formula. To narrow the attainment gap for deprived children, councils need greater influence over education, family and early years provision and greater scope to commission and deliver integrated employment, health and welfare support.

Early intervention

Reductions in early intervention funding have seen a number of councils take difficult decisions to close children's centres and reduce services. A 2015 report by the National Children's Bureau and the Children's Society estimated that early intervention funding fell from £3.2 billion in 2010/11 to £1.4 billion in 2015/16.

All too often the savings from investment by one agency are recouped by another, resulting in disincentives to invest in early intervention. We urgently need to

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reform how funding is allocated, and savings realised, across local services to encourage joint working and to encourage investment in early intervention that shifts the balance from crisis spend towards prevention.

The Troubled Families programme provides an important emphasis on integrated support and we would like to be able to use this model more widely.

Child poverty and welfare reform

The Prime Minister's speech on life chances placed considerable emphasis on support for the most deprived and disadvantaged families. However, the Government's welfare reforms impact on low income working families, with reductions to in-work benefits and housing benefit.

The provisions in the Welfare Reform and Work Bill on Housing Benefit, Tax Credits and Employment and Support Allowance do little to address the reasons why people claim benefits. Long-term reductions in welfare spending will only be realised by increasing people's income through employment and by reducing their outgoings, primarily through improving access to affordable housing.

We need to work with low income families to ensure that they do not fall into crisis and are able to progress in work and education. These families will be also be affected by the introduction of in-work conditionality within Universal Credit, and it is as yet unclear what form this will take or how claimants will be supported to increase their hours or earnings.

Further devolution of employment and skills support should enable local areas to address the challenges of unemployment, under-employment and low pay in a way that responds to the needs of their local community and economy. This is particularly important for those with multiple and complex needs.

The right balance between targeted and universal provision needs to be found, making the most effective use of very limited financial resources. This balance may need to vary from place to place, and give local partners the freedom and flexibility to prioritise funding and commissioning in a way that best meets their local circumstances.

Health

Poverty and health outcomes are closely intertwined. Poor maternal health, and poor early years health and nutrition, are strongly associated with socioeconomic disadvantage. Reductions to public health funding for programmes targeted at disadvantaged families are therefore likely to have a detrimental impact on health outcomes for children from deprived backgrounds.

The Government has confirmed a £331 million reduction to public health budgets between 2016/17 and 2020/21. This is on top of £200 million in-year reductions announced in October 2015.

We look forward to working with the Government during its forthcoming consultation and review on the future of children's centre services, which we hope will address the challenges ahead.