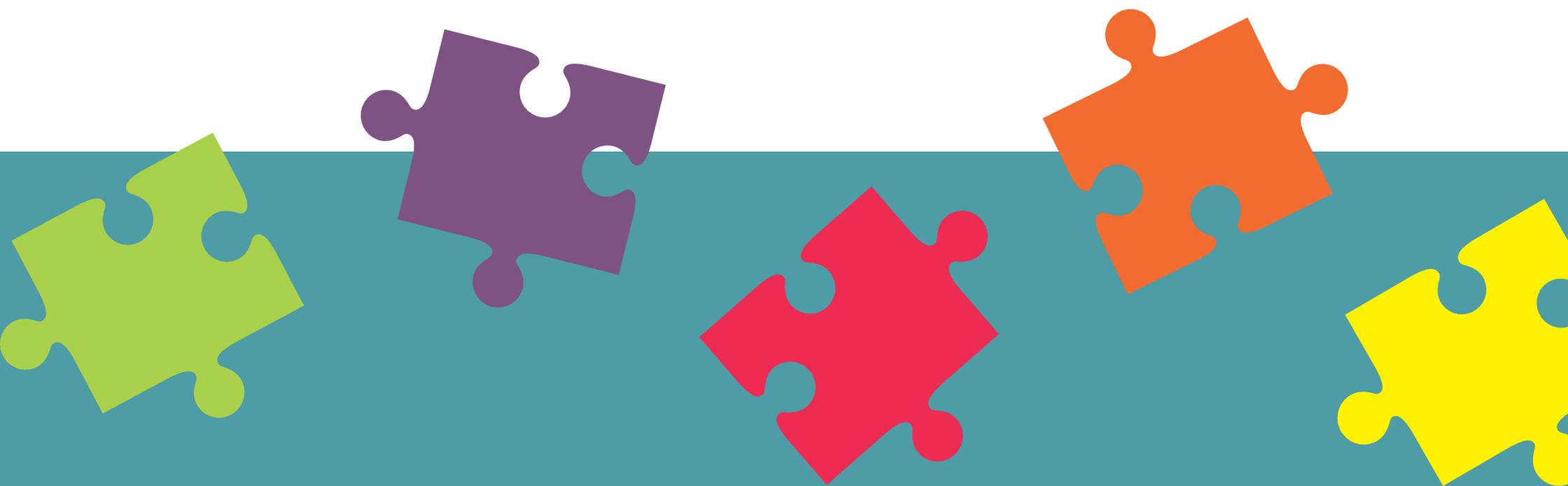


Child Poverty Strategy: Assessment of Progress 2016

Summary Report



Llywodraeth Cymru
Welsh Government



December 2016

Child Poverty Strategy: Assessment of Progress 2016

Audience	The National Assembly for Wales, Welsh Local Authorities, Public Bodies, Anti-Poverty Champions, Private and Third Sector organisations that have an interest in deprivation and poverty in Wales, and members of the public.
Overview	This document summarises an assessment of the Welsh Government's progress towards achieving the objectives of the Child Poverty Strategy.
Further information	Enquiries about this document should be directed to: Equality and Prosperity Division Education and Public Services Group Welsh Government Rhyd y Car Merthyr Tydfil CF48 1UZ e-mail: EqualityandProsperityMailbox@wales.gsi.gov.uk
Additional copies	This document can be accessed on the Child Poverty pages of the Welsh Government's website at: www.gov.wales

Related documents	<ul style="list-style-type: none">• Taking Wales Forward 2016-2021 http://gov.wales/docs/strategies/160920-taking-wales-forward-en.pdf• Child Poverty Strategy for Wales (2015) http://gov.wales/docs/dsjlg/publications/150327-child-poverty-strategy-walesv2-en.pdf• Building Resilient Communities: Taking forward the Tackling Poverty Action Plan (2013) http://gov.wales/docs/dsjlg/publications/150701-tackling-poverty-action-plan-2015-en.pdf• Building Resilient Communities: Taking forward the Tackling Poverty Action Plan Annual Report (2015) http://gov.wales/docs/dsjlg/publications/150701-tackling-poverty-action-plan-youth-2015-en.pdf
--------------------------	--

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Ministerial Foreword

The new Communities and Children portfolio provides a real opportunity to make a positive and lasting difference to the lives of young people in Wales. I have set out my priorities for this new term of government – increasing well-being and economic prosperity are fundamental to improving outcomes for vulnerable children, including those living in poverty.

This 2016 report includes an assessment of the progress that has been made towards achieving our child poverty objectives since the publication of our Child Poverty Strategy in 2011. You will see that we have made good progress in some areas but we know we need to do more. Our ambition to eradicate child poverty (defined in terms of the relative income measure) by 2020 depended heavily on wider UK economic circumstances and we recognise that we are not now going to be able to achieve this.

I am absolutely determined to focus on the issues where Welsh Government can deliver using the levers it controls, within the broader context of the Well-being of Future Generations (Wales) Act 2015. We are developing a new, whole government approach to building resilient communities which has a focus on early years, empowerment and employment. This means the development of communities that can offer children the best start in life; communities that are ready and able to work; communities that are empowered and engaged, as well as being safe and strong.

As a government, we cannot do this alone. I have invited organisations to join with us to develop Children's Zones to help improve the life chances of children and young people living in Wales.



We will continue to work with others to tackle inequalities in health and education which can have such a profound and lasting effect on the lives of children from low income households. We will collaborate to support households to build their resilience by equipping families with the skills and resources they need to help their money go further.

The key commitments outlined in our new Programme for Government will help drive the tackling poverty agenda over this term of government, providing direction for our work which will support disadvantaged children to get the best possible start in life.

A handwritten signature in black ink that reads "Carl Sargeant". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Carl Sargeant AC/AM
Cabinet Secretary for Communities and Children

2015 Child Poverty Strategy

When the Welsh Government introduced the **Children and Families (Wales) Measure** in February 2010, Wales became the first of the UK nations to enshrine in law its commitment to tackle child poverty.

The 2010 Measure placed a duty on Welsh Ministers to develop a Child Poverty Strategy for Wales. This duty was fulfilled when the 2011 Child Poverty Strategy was published, setting new objectives for improving the outcomes of low income households. A revised Child Poverty Strategy was published in March 2015 which included two additional objectives, reflecting the changing landscape and characteristics of poverty in Wales.

The legislation also placed a duty on local authorities and other public bodies to play their part through the setting of objectives for tackling child poverty. Since that time, we have worked closely with these partners and others to help prevent and mitigate the effects of poverty on young lives.

This booklet tells you about:

- The progress Welsh Government has made towards achieving its child poverty objectives
- The work we have done between 2011 and 2016
- What we want to do next

The 2015 Child Poverty Strategy reflects the cross cutting nature of tackling child poverty. This is a cross-government issue meaning Welsh Government Departments are working together to ensure a strong focus on improving outcomes for children and young people, using all available levers to reduce the number of children living in low income households.

Following the election in June 2016, the First Minister made it clear that addressing poverty and inequality and creating an economy which delivers for families and children continues to be a priority for this new government.

Tackling poverty is the shared responsibility of every Cabinet Secretary and Minister. The Cabinet Secretary for Economy and Infrastructure provides the lead for economic equality while the Cabinet Secretary for Communities and Children leads on the Child Poverty Strategy, coordinating work across government to deliver its objectives.

The 2011 Child Poverty Strategy defined poverty as:

A long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in their society.

In May 2012, our duty to have due regard to the **United Nations Convention on the Rights of the Child** came into place as part of the **Rights of Children and Young Persons (Wales) Measure 2011**.

Children's Rights remain central to our approach to tackling child poverty. Last year we developed our **Programme for Children and Young People** which brings together the many pieces of legislation and policies we have which support our children and young people. It sets out our seven core aims for children and young people, outlining how we will deliver on our commitments to them and support the coordination and implementation of the UNCRC in Wales.

We continue to ensure the well-being of children is considered in the development of our key policies through the completion of Children's Rights Impact Assessments. We also fund the **Young Wales** project which enables the voices of children and young people to be heard in the development and delivery of our legislation, policies and programmes. Young Wales links to and works with a wide range of marginalised and mainstream groups and has enabled over 1,500 children and young people to express their views directly through face to face consultation and engagement opportunities.

The strategic objectives of the 2015 Child Poverty Strategy reflect where the evidence tells us we can have most impact and the policy levers available to the Welsh Government. Objectives 1 to 3 were retained following the period of public consultation in 2015. Objectives 4 and 5 are new to our approach. Our objectives are:

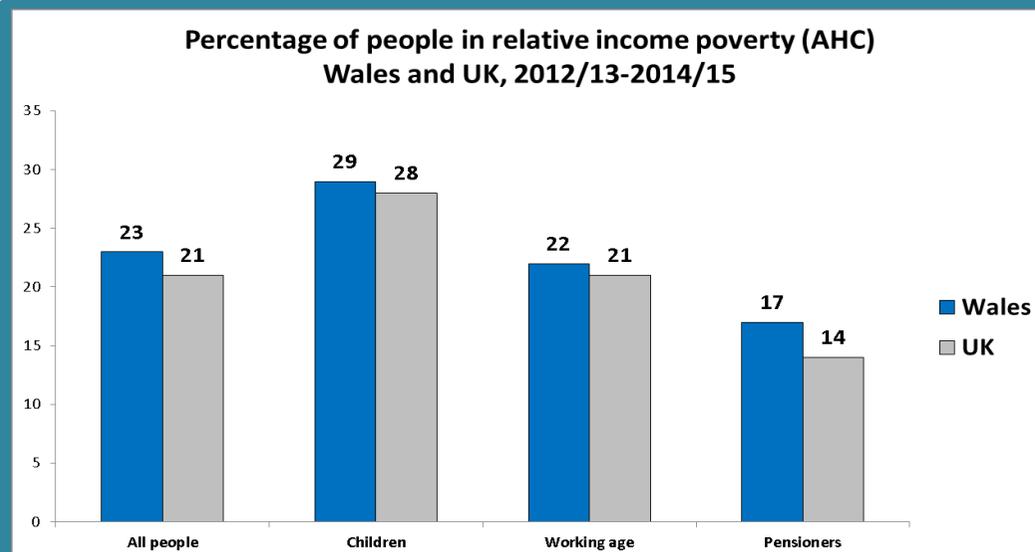
1. To reduce the number of families living in workless households, as children living in workless households are particularly at risk of living in poverty.
2. To increase the skills of parents and young people living in low-income households so they can secure well-paid employment and in-work progression, as in-work poverty is a growing issue.
3. To reduce the inequalities which exist in the health, education and economic outcomes of children and families by improving the outcomes of the poorest. Preventing poverty is fundamental to our long term vision for supporting low income households.
4. To use all available levers to create a strong economy and labour market which supports the tackling poverty agenda and reduces in-work poverty in Wales.
5. To support families living in poverty to increase their household income through debt and financial advice, action to address the "poverty premium" (where low income households pay disproportionately more for goods and services) and action to mitigate the impacts of welfare reform.



Additional Five Priorities for Child Poverty

The 2014 evaluation of the Welsh Government's approach to tackling child poverty suggested that existing policies and programmes would make an important contribution to tackling poverty, but this was likely to be in the longer term.

As a result, the 2015 Child Poverty Strategy identified five new priority areas where we can do more to help improve the circumstances and outcomes of low income families in the "here and now". These priorities are: addressing food poverty, improving access to affordable childcare, housing and regeneration, reducing in-work poverty and mitigating the impacts of welfare reform.



Source: Households Below Average Income, Department for Work and Pensions

The Welsh Government uses a number of key indicators to measure progress in achieving the strategic objectives of the Child Poverty Strategy.

Child Poverty Indicators

The key indicator of child poverty is the percentage of children living in households below 60% of the median UK household income (After Housing Costs). The latest figures show that although we are making some progress, child poverty in Wales remains stubbornly high.

The **Households Below Average Income (HBAI)** data for Wales published in June 2016 show a two percentage point reduction in the proportion of children living in relative poverty in Wales. For the three year period ending in 2014/15, 29 percent of children in Wales were living in poverty. This compares to 31 percent for the three year period ending in 2013/14.

In addition to the relative measure of child poverty, we use a wider set of key indicators to measure progress on delivering the changes we want the Child Poverty Strategy to deliver.

Measuring Progress

Our Child Poverty indicators reflect the policy levers we have available:

% of children living in relative income poverty (After Housing Costs).

% of children living in relative income poverty where at least one adult is working (After Housing Costs).

% of children living in workless households.

% of working age adults with no qualifications.

% of working age adults holding qualifications at levels 2, 3 or 4 and above.

% of children living in low income households who are reaching health, social and cognitive development milestones when entering formal education.

% of 7 year old pupils eligible for Free School Meals achieving the expected level at the end of the Foundation Phase.

% of pupils eligible for Free Schools Meals who achieve the Level 2 threshold including English / Welsh and Maths at Key Stage 4.

% of young people aged 16-18 who are not in employment education or training (NEET).

% of young people aged 19-24 who are not in employment education or training (NEET).

% of babies (live births) born with a low birth weight (defined as under 2,500 grams).

This report sets out progress against each of these key indicators.

Measuring Progress

Additional Data and Analysis of Child Poverty in Wales

The role of data, research and evaluation is essential in informing and directing our approach. It is vital that the resources we invest in policies and programmes demonstrate their value and lead to positive outcomes for the people they are directed towards.

Additional analysis of the Households Below Average Income data and Annual Population Survey data for Wales has been undertaken to better understand poverty and worklessness in Wales. This analysis is being used to inform our approach to tackling poverty by providing valuable information on the characteristics of low income households in Wales.

In addition, the Welsh Government's National Survey for Wales now includes a set of questions on material deprivation, which are taken from the Department for Work and Pension's (DWP) Family Resources Survey. This will provide data on household and child deprivation – improving both the robustness and quality of data on poverty in Wales, as well as providing crucial information on the nature and composition of the deprivation faced by particular households and contributing factors.

The larger sample size of the National Survey for Wales (in comparison to the FRS) means that data on household and child deprivation are also available at a local authority level.

Data from the National Survey will also be used as part of the set of National Indicators being used to monitor the outcomes of the Well-being of Future Generations Act.

We are also undertaking further analysis of data from the Annual Population Survey, which is providing us with a better picture of the characteristics of economically inactive households, workless households and the qualifications and skills of young people who are NEET. This enables us to look at the number of children living in workless households, the size of families and the skills levels of parents who are workless. The data are helping us to better understand the support that is needed to improve employability and skills outcomes – and to tailor our programmes accordingly.



A New Approach to Tackling Child Poverty in Wales

Since the publication of the 2013 progress report on the Welsh Government's Child Poverty Strategy, we have refreshed our approach to focus on the root causes of poverty. Working within a context of stretched resources and reducing budgets, we have focussed on those areas where we can have most impact. All government Departments have been working together to identify the right priorities to tackle poverty and those areas where we can have the most impact.

Improving outcomes in the early years and increasing employability have been identified as key priorities for tackling poverty.

To help take this work forward, over the last twelve months the Welsh Government has held two Tackling Poverty Summits which have brought together a range of organisations from the public, private and third sectors to identify ways of joint working. The response from the Summits was a strong recognition of the important contribution these sectors can make to tackling poverty, not just in terms of their corporate social responsibilities, but also in relation to key issues such as childcare, the Living Wage, flexible working, the provision of work experience and training opportunities and increasing skills.

The Early Years

There is widespread agreement early childhood experiences are crucially important for children's long-term health and development and their achievements in later life. We know children growing up and living in low income households are less likely to reach cognitive and developmental milestones in the early years and have poorer educational attainment. Welsh Government has a long history of investing in the early years of a child's life and we will continue this focus on improving health and well-being amongst children and families through a focus on reducing Adverse Childhood Experiences, investing in the First 1000 Days of a child's life and parenting.

Employability

Recognising that employment provides the most sustainable route out of poverty, our key focus is on maximising people's employability and supporting them to access, remain and progress in employment. If people have good employability skills, their chances of minimising periods of unemployment and sustaining employment are improved.

We know there are a growing number of people in Wales who are working and yet still living in a low income household. We want to reverse this trend and ensure we are doing all we can to build a strong economy, underpinned by quality jobs that pay well. Work is underway to develop a new Employability Plan and a new All-Age Employability Programme. The Plan will include a focus on supporting those furthest away from the workplace, as well as those closer to employment and those already in work.

Alignment of Tackling Poverty Programmes

In 2015, the Welsh Government undertook a piece of work to identify actions to reduce bureaucracy and bring closer alignment between the four principle tackling poverty programmes, **Flying Start**, **Families First**, **Communities First** and **Supporting People**.

As a result, a number of administrative changes were put in place for the 2016/17 financial year, including the alignment of payments and reporting across the programmes and 5% flexibility arrangement that allows 5% of one programme's funding to be moved into another programme. Programmes will also be encouraged to collaborate more and the Team Around the Family Model will be promoted as one mechanism by which a multi-agency approach can support the tackling poverty agenda, based on identifying the needs of the individual.

The impact of these changes will continue to be monitored.



communities first *cymunedau yn gyntaf*



Rhaglen Cefnogi Pobl
The Supporting People Programme

Objective 1 - To reduce the number of families living in workless households

Progress made against the indicators...

The number of workless households in Wales continues to fall and the number of children living in workless households is at an all time low. Employment in Wales is close to a record high and unemployment is now below the UK level. However, economic inactivity remains high and under employment is also an issue. The number of young people who are NEET and aged between 19 and 24 has fallen to under 50,000. However, work is required to bring this down further.

Examples of how our programmes have made a difference...

Lift Programme: 3,791 training and employment opportunities provided. 769 people supported into employment (30 September 2016).

Communities for Work: 5,079 people engaged, 781 people into work (31 August 2016).

PaCE: 1,179 parents engaged and 152 parents starting work (October 2015 - September 2016).

Community Benefits: applied to contracts worth £1.3bn, supporting 1,783 people into employment and delivering 38,668 weeks of training (31 July 2016).

What we need to do more of...

In 2015, there were still 71,800 children living in workless households. This is far too high. Children living in workless households are particularly at risk of living in persistent poverty and are more likely to be at risk of Adverse Childhood Experiences. Jobs and growth are a key priority for Taking Wales Forward. We will be looking to maximise job opportunities from investments such as the Metro, City Deals and City Regions. We will continue to focus on supporting those most at risk and those furthest from the workplace, through programmes such as Lift and Communities for Work. Our new curriculum for Wales will focus on getting people ready for the world of work.

Child Poverty Indicators



% of young people 16-18 years who are *NEET

Year	%	#
Dec 2011	12.2	14,000
Dec 2014	10.8	12,000
Dec 2015	10.5	11,500

% of young people 19-24 years who are *NEET

Year	%	#
Dec 2011	22.1	54,400
Dec 2014	19.7	50,000
Dec 2015	18.6	46,600

*Not in Education, Employment and Training

We have pulled together a map which shows how each of the key programmes and policies fit together ([here](#)).

We will update this map on an annual basis to demonstrate our ongoing progress.

Our case studies show the difference our programmes and policies are making to families living in workless households.

There are a number of key programmes and policies which have a significant impact on progress to reduce the number of families living in workless households. Updates on each programme can be found at [Annex A](#).

Objective 2 - To increase the skills of parents and young people living in low-income households

Progress made against the indicators...

Although we have made important progress in increasing the skills of young people and parents in Wales since the publication of the first Child Poverty Strategy in 2011, in 2015 the percentage of working age adults in Wales with no qualifications rose slightly to 9.5 percent from 8.9 percent in 2014. In 2015, 77.1 percent of working age adults held qualifications at levels 2, 3 or 4 and above, down slightly from 77.6 percent in 2014.

Examples of how our programmes have made a difference...

Skills Gateway Service: 17,080 clients supported. 2,922 people entered employment and 609 entered skills provision (30 September 2016).

2007-2013 ESF Programmes: 23 DfES projects supported approximately 250,000 participants, increasing essential and job specific skills and improving employment and career prospects.

Essential Skills in the Workplace (ESiW) Programme: Over half of the 21,000 participants identified they had improved employment or career prospects.

What we need to do more of...

We know that skills provide a strong lever for tackling poverty by helping to maximise individual potential, alongside strengthening the creation of jobs and growth. We will continue to take forward a range of policies and programmes which will contribute to increasing the skills of parents and young people to help improve their social and economic well-being. The new Employability Plan and the Programme for Government commitment to develop a new All Age Employability Programme will be fundamental to delivering the high skill, high wage economy that we want in Wales. We have also committed to creating a minimum of 100,000 all-age high quality apprenticeships over this current Assembly term.

We have pulled together a map which shows how each of the key programmes and policies fit together ([here](#)).

We will update this map on an annual basis to demonstrate our ongoing progress.

Our case studies show the difference our programmes and policies are making to increasing skills of low income households.

Child Poverty Indicators

Year % #

2015	9.5%	161,600
2014	8.9%	151,600
2011	11%	186,400

% of working age adults with no qualifications

% of working age adults holding qualifications at levels 2, 3 or 4 and above

(Males aged 18-64 and Females aged 18-59)



	Dec 2011		Dec 2014		Dec 2015	
	Wales	UK	Wales	UK	Wales	UK
Level 2 or above	73.9	74.9	77.6	78.0	77.1	78.5
Level 3 or above	52.4	54.9	57.6	58.9	57.5	59.7
Level 4 or above	31.5	35.0	35.6	38.4	36.1	39.5

There are a number of key programmes and policies which have a significant impact on progress to increase the skills of those living in low income households. Updates on each programme can be found at [Annex A](#).

Objective 3 - Reducing the inequalities which exist in the health, education and economic outcomes of children and families living in poverty, by improving the outcomes of the poorest

Progress made against the indicators...

Final 2015/16 figures (published December 2016) for the attainment of learners eligible for Free School Meals (e-FSM) show our highest ever results. The percentage of eFSM pupils achieving Level 2 (including maths and English / Welsh) continues to rise, with levels at an all time high at 35.6 percent. This is a 4 percentage point increase on 2014-15 (up from 31.6 percent). However, the attainment gap remains high at 31.3%.

In 2014-15, 75.1 percent of 7 year old eFSM pupils achieved the expected level at the end of the Foundation Phase, up from 69.2 percent in 2012-13. In 2014-15, the attainment gap at Foundation Phase was 14.9 percentage points, compared with 18.3 percentage points in 2011-12.

Examples of how our programmes have made a difference...

Rewriting the Future: The Welsh Government's overarching strategy for breaking the links between poverty and deprivation. Schools are supported through Regional Education Consortia to take forward key priorities.

Pupil Deprivation Grant (PDG): Over £81m was invested through PDG in 2015-16 and the rate of improvement has doubled since the introduction of PDG in 2012. We exceeded our 2017 Foundation Phase target - to reduce the attainment gap by 10% over the 2012 figure. In 2016, 60.2 percent of pupils in Year 11 achieved the Level 2 inclusive threshold (Level 2 including a grade A*-C in English or Welsh first language and Mathematics).

Schools Challenge Cymru: Schools Challenge Cymru is supporting the 39 most challenged schools in Wales. Across the 2 years of the programme, attainment of the Level 2 Inclusive across Pathways to Success schools has improved by 7.0 percentage points, with 34 (87%) of the schools securing improvements in this measure.

What we need to do more of...

Despite making progress, in 2015-16, the attainment gap at Key Stage 4 remained high at 31.3 percentage points, for Level 2 inclusive. More than £87million will be invested in PDG in 2016-17, paid at a rate of £1,150 for every eligible pupil. PDG funding at Foundation Phase has doubled from £300 to £600 per pupil and Taking Wales Forward includes a commitment to extend PDG. A further £15 million will fund a third year of Schools Challenge Cymru support beginning in September 2016. New curriculum and assessment arrangements will be used to support teaching and learning by September 2021.

We have pulled together a map which shows how each of the key programmes and policies fit together ([here](#)). We will update this map on an annual basis to demonstrate our ongoing progress.

Our case studies show the difference our programmes and policies are making to reducing educational inequalities.

There are a number of key programmes and policies which have a significant impact on progress to reduce inequalities in education. Updates on each programme can be found at [Annex A](#).

Child Poverty Indicators

75.1% of pupils eligible for Free School Meals in Wales have achieved the expected level at the end of Foundation Phase in 2015.

The gap in attainment between *eFSM and non-FSM pupils has reduced.

Year	2012	2014	2015
%	18.3%	16.3%	14.9%

Target was 16.5% by 2017

% of pupils eligible for Free School Meals who achieve Level 2 threshold inclusive English / Welsh and Maths at Key Stage 4.

Year	2011	2015	2016
%	22.0%	31.6%	35.5%

*eligible for Free School Meals

Objective 3 - Reducing the inequalities which exist in the health, education and economic outcomes of children and families living in poverty, by improving the outcomes of the poorest

Progress made against the indicators...

The proportion of singleton live born babies with a low birth weight in the most deprived fifth of areas has fallen from 7.7 percent in 2002-04 to 6.5 percent in 2012-14.

Examples of how our programmes have made a difference...

Healthy Child Wales Programme: Focusses on reducing health inequalities by delivering a universal service to all children in Wales. Additional support has been provided in response to identified needs.

Workplace Health: Over 3,000 organisations employing 460,000 people have engaged in a range of Health Working Wales programmes.

In Work Support Service: More than 4,200 individuals have been supported to prevent job loss due to work-limiting health conditions.

What we need to do more of...

People living in the most deprived areas of Wales continue to live more years in poor health than people in less deprived areas. Health inequalities also has an impact on economic prospects and growth. Our ambition to embed healthy living throughout our programmes is outlined in Taking Wales Forward. We will continue to work on the development of the First 1000 Days Collaborative Programme which is jointly led by Public Health Wales and the Welsh Local Government Association (WLGA) with strategic leaders from the public, third and private sectors. The programme will support improved child development outcomes from conception up to two years of age.

We will continue a collaborative approach to more effectively align significant investment by a range of organisations and other assets to bring about improved outcomes for all.

We will continue to monitor the progress made by our Local Health Boards in the reduction of health inequities by ensuring the delivery of a universal service to all children in Wales, with additional support provided in response to identified needs.

Child Poverty Indicators

% of babies (live births) in the most deprived areas born with low birth weight (under 2,500gm) 



Year	%
2002-04	7.7%
2010-12	6.7%
2012-14	6.5%

Data forthcoming: children living in low income households who are reaching health, social and cognitive development milestones when entering formal education.

We have pulled together a map which shows how each of the key programmes and policies fit together ([here](#)). We will update this map on an annual basis to demonstrate our ongoing progress.

Our case studies show the difference our programmes and policies are making to reducing the inequalities in health.

There are a number of key programmes and policies which have a significant impact on progress to reduce health inequalities. Updates on each programme can be found at [Annex A](#).

Objective 4 - Creating a strong economy and labour market which supports the tackling poverty agenda and reduces in-work poverty in Wales

Progress made against the indicators...

In-work poverty in Wales remains high. The majority of children living in poverty in Wales live in a household where at least one person is working. However, for the three year period ending 2014/15, the percentage of children in relative income poverty (After Housing Costs) decreased to 39 percent for children in households where at least one adult (but not all) is in work.

Examples of how our programmes have made a difference...

Wales Economic Growth Fund: £30 million allocated to around 120 business projects in Phase I. 2,266 jobs supported – three quarters of which were in local authorities with above average unemployment rates.

Business Wales Service: £61 million to support entrepreneurial activity, entrepreneurs and the growth of micro and SME businesses in Wales.

City Regions and Enterprise Zones: Driving spatial economic growth.

Advice and Support to SMEs: Provision of specialist advice and guidance on employment issues through Business Wales Equality and Diversity advisors.

Living Wage: Providing information for business on the benefits of adopting the Living Wage Foundation Living Wage Rate.

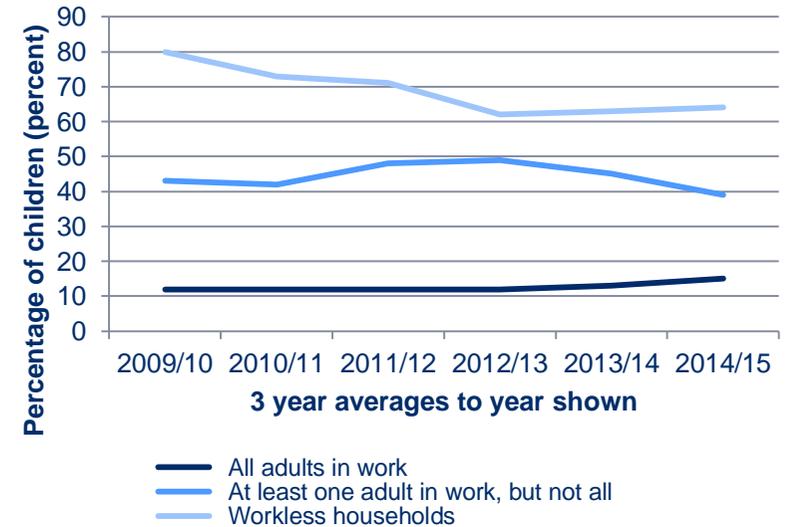
What we need to do more of...

We are seeking views on priorities for economic development in Wales and will continue to work with businesses to support job creation and deliver greater financial security. We will continue to provide support for anchor companies across a range of sectors to maximise opportunities for jobs and growth, including through supply chains. We will also support the Wales TUC Better Jobs – Closer to Home initiative in establishing two employment centres in the Heads of the Valleys area, to provide meaningful work opportunities for disadvantaged workers. We will deliver maximum benefits for disadvantaged communities from new initiatives, such as the Metro and will ensure all our significant transport infrastructure contracts include social clauses, maximising employment and training opportunities.

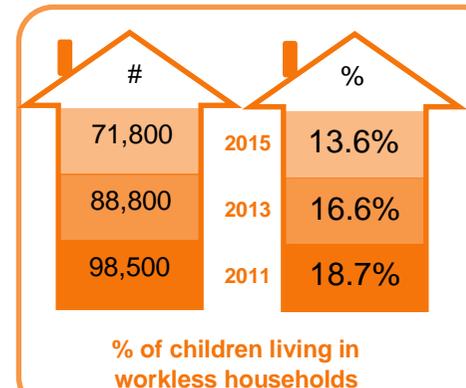
We have pulled together a map which shows how each of the key programmes and policies fit together ([here](#)). We will update this map on an annual basis to demonstrate our ongoing progress.

Our case studies show the difference our programmes and policies are making to the economy and in-work poverty.

Child Poverty Indicators



% of children in relative income poverty after housing costs, by household work status, Wales



% of children living in workless households

Child poverty remains stubbornly high
29%
of children in Wales live in relative income poverty (After Housing Costs) 3 yrs ending 2014-2015



There are a number of key programmes and policies which have a significant impact on progress to create a stronger economy and reduce in-work poverty. Updates on each programme can be found at [Annex A](#).

Objective 5 - Supporting households “here and now” to increase their household income and address the poverty premium

Progress made against the indicators...

The percentage of children living in poverty in Wales fell by two percentage points to 29 percent for the three year period ending in 2014/15. However, an estimated 200,000 children remain living in poverty in Wales.

Examples of how our programmes have made a difference...

Better Advice Better Lives: In 2015/16, advisers helped over 18,637 people with more than 46,000 issues. Total financial gain more than £20.7 million. Since 2012, over 72,700 people supported: confirmed gains of more than £66.5million.

Credit Unions: Since April 2014, £1.9million invested to support financially excluded people to access mainstream financial products. More than 22,600 loans to individuals, totalling £18.6 million. 22,600 new members since April 2014.

Discretionary Assistance Fund: Over 88,000 people supported between 2013/14 and 2015/16. Over £21.3 million spent on grants to support our most vulnerable people.

Social Tariffs: Two water companies have supported customers from low income households through the development of Social Tariffs. Regulations also issued which help water companies tackle the issue of bad debt.

Warms Homes Nest: Over 85,000 households supported. 23,700 households benefitting from a package of free home energy improvements since 2011. Over 1,190 people received new or additional benefits, confirmed gains of £2.25 million. Over 1,000 people benefitted from a Warm Homes Discount rebate on their electricity bill, total value of over £140,000.

What we need to do more of...

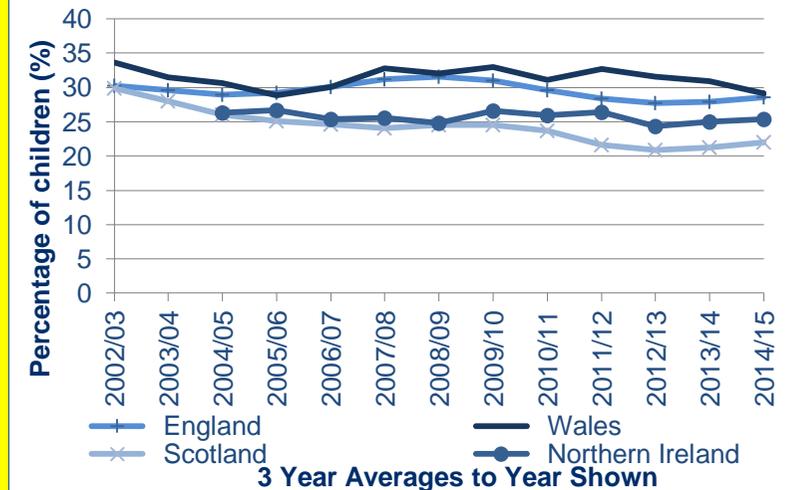
Financial and digital inclusion initiatives can help mitigate the impact of in-work poverty by equipping families with the skills and resources they need to help their money go further. The new Delivery Plan for the Financial Inclusion Strategy will be fundamental to taking forward a range of actions to support low income households to increase their income.

We have pulled together a map which shows how each of the key programmes and policies fit together ([here](#)). We will update this map on an annual basis to demonstrate our ongoing progress.

Our case studies show the difference our programmes and policies are making to increase families household income.

There are a number of key programmes and policies which have a significant impact on progress to reduce the poverty premium and increase household income. Updates on each programme can be found at [Annex A](#).

Child Poverty Indicators



% of children living in relative income poverty

60% of children living in relative income poverty live in working households



Welsh Government Targets

Our 2013 [Tackling Poverty Action Plan: Building Resilient Communities](#), set actions and commitments which contribute to the overall well-being of children. An update on the targets which are most relevant to Child Poverty can be found below.

Target	Progress
To reduce the proportion of babies born under 2500g in the most deprived fifth of the population by 19 percent – by 2020.	The proportion of singleton live born babies with a low birth weight in the most deprived fifth of areas has fallen steadily from 7.7 percent in 2002-04 to 6.5 percent in 2012-14, a statistically significant reduction. The ratios between the most deprived fifth and the middle fifth have remained stable. The ratios between the most and least deprived fifths have fallen slightly.
To improve the dental health of 5 and 12 year olds in the most deprived fifth of the population to that found in the middle fifth-by 2020.	The percentage of 5 year olds with at least one decayed, missing or filled deciduous/milk tooth has reduced from 57.6 percent in 2007/08 to 45.4 percent in 2014/15. The percentage of 12 year olds with at least one decayed, missing or filled adult tooth has fallen from 53.8 percent in 2007/08 to 43.9 percent in 2014/15.
To reduce the number of young people who are not in employment, education or training aged 16-18 to 9 percent by 2017.	From 2008 to 2014, the percentage of 16-18 year olds not in education, employment or training has remained relatively steady, varying between 10.8 percent and 12.4 percent. From 2014 to 2015, the percentage of 16-18 year olds decreased slightly to 10.5 percent.
To reduce the proportion of young people who are not in employment, education or training aged 19-24 in Wales relative to the UK as a whole by 2017.	The percentage of 19-24 year olds not in education, employment or training fell from 20.4 percent to 18.6 percent from 2013 to 2015 whilst the UK average fell from 19.0 percent to 15.2 percent. The gap between Wales and UK, as reported through survey data, has slightly increased though it is narrower than at the 2012 baseline.
To narrow the gap in attainment levels between learners aged 7 eligible for free school meals and those that are not eligible for free school meals, who achieve the expected levels at the end of the Foundation Phase, as measured by the Foundation Phase Indicator, by 10 percent by 2017.	In 2014-15, 75.1 percent of 7 year old eFSM pupils achieved the expected level at the end of the Foundation Phase, up from 69.2 percent in 2012-13. In 2014-15, the attainment gap at Foundation Phase was 14.9 percentage points, compared with 18.3 percentage points in 2011-12.
To improve the overall attainment levels of students eligible for free school meals, measured as the proportion of learners eligible for free school meals at age 15 who achieve Level 2 inclusive at Key Stage 4 (five GCSE at grade C or above in English/Welsh and Mathematics or equivalent), to 37 percent by 2017.	Provisional 2015/16 figures (published 6 October) for the attainment of learners eligible for Free School Meals (eFSM) show our highest ever results. The percentage of eFSM pupils achieving Level 2 (including maths and English / Welsh) continues to rise, with levels at an all time high at 35.5 percent. This is a 3.9 percentage point increase on 2014-15 (up from 31.6 percent). However, the attainment gap remains high at 31.3 percent.
By 2016, increase the proportion of 3-year-olds receiving Flying Start services that achieved or exceeded their developmental milestones by 5 percentage points. (55 percent of children in the Flying Start programme reached or exceeded their developmental milestone at age 3 in 2012/13).	52 percent of children in the Flying Start programme reached or exceeded their developmental milestones at age 3 in 2015-16.
To offer 5,000 training and employment opportunities to people in workless households by the end of the 2017 calendar year.	As at 30 September 2016, the Lift programme had provided 3,791 training and employment opportunities, with 769 people supported into employment. Lift is on track to meet its overall target.
To achieve 10,000 additional affordable homes (social and intermediate) and increase the number of empty homes brought back into use by 5,000 – by 2016.	During the last term of government, 11,508 additional affordable housing units were delivered across Wales exceeding our target of 10,000. During the last term of government, a total of 10,498 long term empty residential properties were brought back into use. This is more than double the government's original target of 5,000.

Assessment of Progress in Delivering the 5 New Priorities

Although it is only 18 months since the five key priorities for tackling child poverty were identified, significant progress has been made in a number of key areas.

Food Poverty

Food poverty has become a growing issue for low income households in recent years. Last year, following recommendations from the Welsh Government's Food Poverty Think Tank, the 'Wales Food Poverty Alliance' was established. The focus of the Alliance has been to look at ways to alleviate holiday hunger, increase the uptake of Free School Meals and evaluate food shopping trends. The Alliance is also working with food producers, manufacturers, retailers and supermarkets to help them deliver on corporate and social responsibility.

The Alliance will be working with our Education Department to develop strong links with the new curriculum to ensure a focus on food and nutrition as well as engaging with parents and the wider community around these issues. Work will be taken forward to prepare for a "lunch and fun" pilot in 2017 to help remove the disadvantage many youngsters face during the school holidays.

In-work poverty

There are now more people in poverty who have a job than there are who are out of work. Welsh Government will be doing more to tackle in-work poverty as we look at developing support for adults to access full-time employment opportunities, increasing skills to enable people to secure in-work progression and initiatives to get second earners into work.

We are also developing policies which help to build local economies, such as a community benefits approach to procurement. We are working along side external stakeholders in the private sector and organisations like the Wales TUC, to develop and support good, local employment opportunities. We will also continue to support employers in the private, public and third sectors to consider becoming Living Wage employers.

Childcare

We recognise that affordable, available and accessible childcare enables parents to work, supporting the drive to increase economic growth, tackle poverty and reduce inequalities. We are already supporting the childcare sector in a variety of ways. We have provided local authorities with £2.3m funding each year since 2012 to help them to provide wrap around childcare out of school hours and during holidays, plus £4.3m over three years for the CWLWM consortia (comprising the five main childcare organisations in Wales), to support the childcare sector and help us develop innovative flexible childcare solutions to meet the needs of families. We have also secured £6.3m within West Wales and the Valleys for Progress for Success to support the raising of skills and standards across the existing childcare workforce. From April 2016, providers who care for children up to the age of 12 are subject to regulation and inspection. The upper age limit was previously 8 years. As well as providing parents assurances about safeguarding, well-being and quality, this extension also enables more parents to access certain tax and welfare benefits.

In addition to our current childcare and supporting families' programmes, we have made a commitment to provide, within this Assembly term, 30 hours a week of free early education and childcare for working parents of three and four year olds, for 48 weeks of the year. On 22 September 2016 our #TalkChildcare campaign was launched, seeking views on childcare from parents, providers, local authorities and wider stakeholders. This will inform the development of the offer, with initial piloting from September 2017. We will be assessing how the new childcare offer fits with existing programmes, such as Flying Start and Foundation Phase, to ensure smooth transitions between schemes. We will also be looking at workforce development and business support for childcare providers.

Mitigating the impact of welfare reform

We have supported over 300,000 households through maintaining full entitlements to council tax reduction (at an annual cost of £244 million) from 2013-14 to 2016-17. It has recently been announced that these arrangements will continue for a further year until the end of 2017-18.

Our investment in frontline advice services in 2015-16 helped over 52,300 people with their requests for advice and information. This initiative provided training support during 2015-16 to approximately 1,800 local authority front-line staff on Universal Credit and wider welfare reforms. We are continuing to work with the DWP to support people into employment and are working closely with the DWP's Work and Health Unit to help those with disabilities and health conditions, including mental health conditions.

Assessment of Progress in Delivering the 5 New Priorities

Housing

The homelessness provisions of the **Housing (Wales) Act 2014** aim to reduce homelessness through a focus on prevention and a more inclusive approach. The Act has introduced landlord licensing to help ensure the safety of the people living in rented properties through better practice in the sector. The **Renting Homes (Wales) Act 2016** will make it simpler to rent a home by providing one clear legal framework setting out the rights and responsibilities of both landlords and tenants.

Houses into Homes aims to bring long term empty private sector properties back into use to help meet housing demand in Wales. Since April 2012, a £30m pot of recyclable interest free loans has been made available to empty property owners. During the last term of government, 10,498 dwellings were bought back into use.

The **Welsh Housing Quality Standard** aims to ensure social tenants live in a good quality home in a safe community. £108 million of capital funding is provided every year to social landlords to help fund improvement works. All landlords are on track to meet the Standard by 2020. By the end of March 2016 over 79 percent of social housing stock met WHQS.

In July 2015, the maximum discount available under the **Right to Buy and Right to Acquire** schemes was reduced from £16,000 to £8,000. Provision of social housing is one of the key ways in which housing policy can be used to tackle poverty.

From 2011-2016, we invested over £440 million through the **Social Housing Grant** (SHG) programme for affordable housing in Wales. During the last term of government we achieved 11,508 additional affordable homes, exceeding our target of 10,000. Our new target of providing 20,000 affordable homes during this term of government will be delivered in partnership with local authorities and Registered Social Landlords (RSLs) through a Housing Pact and working closely with private developers. This target includes the construction of more than 6,000 homes through the Help to Buy - Wales scheme which will receive £290 million investment in the second phase.

Rural Housing Enablers (RHEs) develop affordable housing projects, providing homes for local people and sustaining rural communities. The RHEs are strong champions for rural communities, producing evidence of the need for affordable homes in specific areas, identifying housing sites, engaging with the community and assisting with local planning and housing policy. They provide much-needed homes for local people in rural communities.

Regeneration

Welsh Government's **Vibrant and Viable Places** (VVP) programme supports a range of regeneration projects in Wales. The aim of the programme is to help economies thrive and to regenerate communities, particularly in areas of high deprivation. Funding of £110 million is helping to regenerate town centres, coastal communities and Communities First clusters. The programme has contributed to investment in community infrastructure and community facilities such as community hubs, health services, drug and substance misuse services, childcare facilities, advice provision and community spaces. The programme has also provided a range of support to help people into employment.

The **VVP Tackling Poverty Fund** supports projects in seven areas within Wales' top 10% of areas of deprivation. These are sharing £7 million over a three year period. Projects will help tackle poverty by creating jobs & helping people into work.

Delivering the 5 New Priorities: Case Studies

Food Poverty

The school holiday enrichment programme *Food and Fun* was developed and piloted by the Food Cardiff partnership in 2015 and has won numerous awards from the health and catering sectors.

It is a school based programme that provides good quality meals, food and nutrition sessions and physical activity to children in deprived areas during the summer holidays.

The programme reduces holiday hunger and promotes healthy lifestyle choices. It also tackles social isolation, offering childcare and encouraging community engagement. It supports better use of existing facilities and promotes collaboration between agencies. The scheme also offers opportunities for paid and voluntary employment.

In-work Poverty:

Jobs Growth Wales is designed to help tackle youth unemployment by allowing employers to offer a funded six-month job opportunity to young people and create new roles within their organisation. A new campaign to promote the programme included advertising on social media channels.

J was looking for a job which could offer him more hours to help him support his young family. He found a suitable job advertised on Facebook and got in touch. The placement enabled him to work full time, learn new skills and gave him the opportunity to demonstrate his potential. At the same time, using the programme enabled the employer to grow his business which is good for the wider Welsh economy.

Childcare:

J was a lone parent with four children and had been out of work for a considerable time. J was not able to progress into employment as she needed to improve her skills and had no means to pay childcare whilst she retrained. After enrolling with the EU and Welsh Government funded PaCE project, J was supported by a parent employment adviser in her local community who sourced the training she needed to become a bus driver, which was her dream job.

PaCE paid full childcare costs for her two youngest children whilst J trained and developed confidence to start work. The PaCE adviser supported her throughout, liaising with Family Information Services and Family First services ensuring J had all the support she needed to consider the needs of the family for her return to work. J was supported by her adviser to prepare for an interview with a local bus company and she was subsequently offered a job. J feels this is life changing and following various other job offers, she thinks she will never be out of work again.

Mitigating the Impact of Welfare Reform:

Welsh Government's support for advice services can help ensure that people receive the support they are entitled to.

Staff at an advice centre completed a benefits check for an elderly client who had been unwell and who was struggling to make ends meet. It appeared she had not been awarded a premium which she was entitled to. Staff made a call to the Pension Service who agreed to look into the matter. As a result, the client was awarded an additional payment of £68 per week and received a backdated payment of £4000.

Delivering the 5 New Priorities: Case Studies

Regeneration: the Tackling Poverty Fund

Barry YMCA

The VVP Tackling Poverty Fund has helped create a community and internet café offering training and job opportunities. It is managed by a start-up social business providing training and employing out of work adults. Youth Services projects and activities are also present. The café is open to the wider community, helping to improve their IT skills. It is also used for fitness and dance classes as well as a meeting and training venue. 2,500 children, young people and adults, access the centre each week.

Stepney Street, Llanelli

Empty properties are being refurbished into a mix of affordable commercial and residential space and affordable housing. 31 Stepney Street now accommodates a craft centre, workshop and retail sections. The retail unit will provide social skills, training, employment support initiatives and a better high street environment.

Regeneration: Targeted Regeneration Investment

The former fire station, Aberavon, Port Talbot

This building has been transformed into an Employability Centre providing a range of employment and support services and community facilities, including pre-employment courses, mentoring and vocational workshops.

Sprouts Nursery in Wrexham

The nursery provides 30 full-time childcare places with additional places offered during school holidays. Sprouts is also a training academy for local people attending skills and employability courses. 10 full time posts have been accommodated, plus 9 traineeships, 2 volunteers and 2 apprenticeship opportunities.

Housing

The **Value Wales Measurement Tool** shows over £848 million worth of contracts let by social landlords, of which 81 percent has been re-invested in Wales. 1,593 disadvantaged people were helped into employment or training and over 34,000 weeks of training provided.

Housing:

Llamau is able to help young people become independent on leaving care with funding from the **Supporting People Programme**.

Llamau supported B to learn the skills he would need for independent living including paying bills and budgeting for food and other essentials. B engaged in cooking sessions with staff in Cardiff and obtained an Agored qualification in Introduction to Cookery. B attended Llamau's Learning 4 Life, achieving his City and Guilds Certificates in Numeracy, Literacy and ICT. Staff also supported B to attend work placements, building his skills and confidence. B is now working full time and living independently.

Cadwyn Housing Association uses funding from the Supporting People Programme to help people to maintain a tenancy or overcome a specific issue.

L was experiencing a range of problems including debt. A support worker helped her maximise her income and take action to address her debts. L also had support from Cadwyn's 'Realise Your Potential' service which helps people find a route into employment. She attended a range of short courses and then summer school to progress her learning. After identifying a career route, L undertook an access course at university with a view to starting a degree.

Tackling Child Poverty – Future Direction

The new 'whole government' approach to tackling poverty will help to embed this priority across all portfolios, all Departments and in every relevant policy area.

The new Programme for Government, **Taking Wales Forward 2016 - 2021** has set out this administration's priorities, including those which will help tackle child poverty. This work will be taken forward through four new Welsh Government strategies: A Prosperous and Secure Wales; A Healthy and Active Wales; An Ambitious and Learning Wales; A United and Connected Wales.

The key policies and programmes which will help deliver our objectives for child poverty are included as part of the logic models at Annex 2. The logic models will remain 'live' documents and we will continue to update them as policies and programmes, which influence the tackling poverty agenda are developed.

We know our policies and programmes for tackling child poverty are making a difference but we also know that we need to do more to support those most at risk of poverty. This includes looked after children, certain ethnic minorities and children and families with disabilities. Action to tackle poverty and reduce inequalities continues to be taken forward, linking the objectives of our Child Poverty Strategy with the **Strategic Equality Plan** to improve outcomes.



Tackling Child Poverty – Future Direction

A new approach

We are also developing an area based approach to tackling child poverty in the South Wales Valleys.

The **Ministerial Taskforce for the Valleys** will oversee a new approach to investing in the future of the valleys. The taskforce will work with people living in the valleys, businesses, local government, the third sector and civic organisations to maximise opportunities for inward investment and economic growth.

A key role of the taskforce will be to improve mainstream services, in particular health, education and housing and provide a focus for community engagement to promote the valleys as a good place to live, work and invest.

European Funding

European funding has been key to the delivery of many of our tackling poverty programmes and initiatives which help mitigate the impact of child poverty. The **2014-2020 European Social Fund (ESF)** embedded tackling poverty as a cross cutting theme, ensuring 20 percent of funding focused on tackling poverty.

It is too soon to say how things will unfold following the referendum on our membership of the European Union. However, we have received assurances that Wales will play a full part in the terms of our withdrawal and our future engagement with Europe.

The First Minister has called for negotiated continued participation in major EU programmes until the end of 2020, to provide continuity while arrangements are made for the longer term.

The Welsh Government will make every effort to ensure that decisions taken by the UK Government fully address Welsh interests and our concerns about the impact on jobs, growth and the economy. We will seek clarification from the UK Government on how significant EU funds will be replaced. To this end, we will be looking closely at the devolution settlement and a revision of the Barnett Formula to ensure that Wales does not lose out as a result of our withdrawal.

Ambition to Eradicate Child Poverty in Wales

Welsh Government has made steady progress in improving the outcomes of children living in poverty. Employment in Wales is close to a record high and the number of children living in workless households is at a record low. We have also reduced the gap in educational attainment between children eligible for free school meals (eFSM) and those who are not, and exceeded our target for eFSM pupils achieving the expected level at Foundation Phase.

Nonetheless, the percentage of children living in relative income poverty remains stubbornly high and may well increase over the next five years. The IFS has projected that relative child poverty in the UK (before housing costs) will rise from 17.1 percent in 2013/14 (2.3 million children) to 25.7 percent (or 3.6 million children) in 2020-21. This will be partly due to the impact on household incomes of changes in UK government policy.

While the Welsh Government's commitment to tackling child poverty is not in doubt, we have to acknowledge that we are not going to achieve our ambition to eradicate child poverty by 2020. Welsh Government does not hold the primary policy and fiscal levers that would enable us to deliver the significant change needed ahead of 2020.

We need to develop a more realistic alternative approach, where our focus is on those aspects of child poverty that Welsh

Government and public bodies across Wales can directly influence.

Our 2010 Children and Families (Wales) Measure will continue to provide the legislative framework for tackling child poverty in Wales. This places a duty on Welsh Ministers and named public bodies to set objectives for tackling child poverty.

We also have the opportunity to use the [Well-being of Future Generations \(Wales\) Act 2015](#) for delivering a coordinated, cross public sector approach for taking forward our actions for tackling poverty in Wales.

In November, we published a set of Well-being Objectives which will maximise our impact in achieving the well-being goals underpinning the Act. The Well-being Objectives demonstrate our commitment to supporting families and have a clear focus on tackling poverty. They reflect many of the objectives of the 2015 Child Poverty Strategy including actions to create the conditions to give every child the best start in life, improve educational outcomes, tackle health inequalities, help people into sustainable employment and create the conditions for a sustainable economic growth and employment. The commitments in **Taking Wales Forward** will make a critical contribution to delivering these objectives.

Ambition to Eradicate Child Poverty in Wales

Measuring Progress Going Forward

Under the 2015 Act, a set of 46 National Indicators for Wales will measure national progress towards achieving our objectives and the seven well-being goals. A number of these are the same as the population indicators currently being used to assess progress in achieving the objectives of the 2015 Child Poverty Strategy, including educational attainment, the number of young people who are NEET, employment, health outcomes and skills.

Progress in tackling child poverty at a Wales level will be assessed using the National Indicators underpinning the Well-being of Future Generations (Wales) Act, on which Welsh Government can have most effect.

We will report on the National Indicators through the Annual Well-being Report for Wales. This will help us to monitor progress and understand the contribution made by all. It will also support a national, all Wales approach to tackling poverty.

We will also continue to report every three years on the extent to which the objectives in our Child Poverty Strategy have been achieved, as required by the Children and Families (Wales) Measure.

The image shows the front cover of a report. At the top right is the Welsh Government logo with the text 'Llywodraeth Cymru Welsh Government'. The main title is 'How to measure a nation's progress?' followed by the subtitle 'National indicators for Wales'. Below this is a paragraph: 'National Indicators for Wales as required by section 10(1) of the Well-being of Future Generations (Wales) Act 2015.' The central part of the cover features a horizontal bar chart with seven bars of different colors: yellow, orange, red, dark red, dark blue, medium blue, and light blue. At the bottom left, it says 'Laid before the National Assembly for Wales, 16 March 2016'. At the bottom right is the 'Y GYMRU A GAREM THE WALES WE WANT' logo. At the very bottom left, there is small text: 'OCL © Hawffraint y Goron 2016 WG26817 ISBN Digidol 978 1 4734 6209 7'.

Continuing a Collaborative Approach

We know we cannot deliver on this agenda alone.

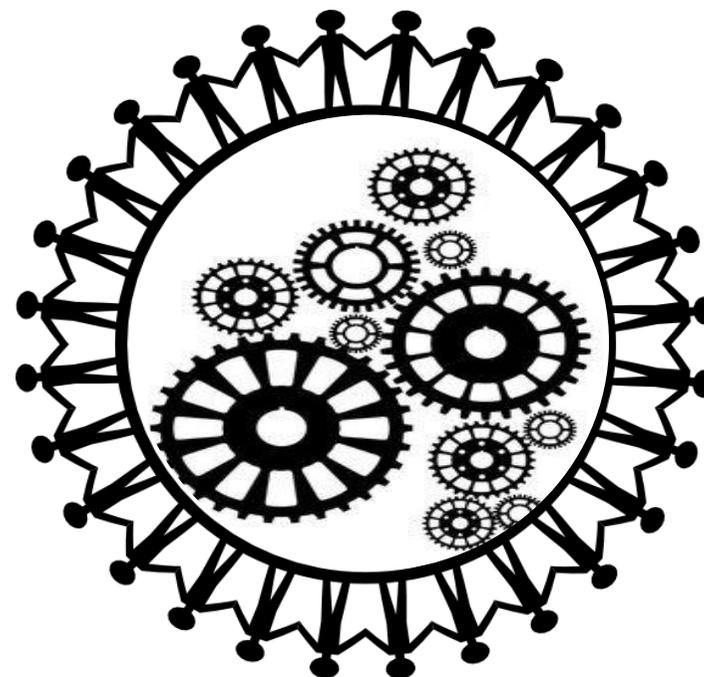
Welsh Government has consistently said that it cannot tackle poverty on its own. We need to continue our work and build closer links with the private, public and third sectors, public bodies and other external partners to deliver on this agenda. In these times of economic uncertainty, it is vital we make the best use of our resources by working collaboratively.

The Well-being of Future Generations (Wales) Act 2015 provides a framework for strengthening our collaborative approach to tackling poverty in Wales. The Act ensures that the new Public Service Boards engage with the people of their area, including children and young people, in the development of their well-being objectives. An analysis of well-being for particular groups, such as those who are vulnerable or disadvantaged, including children, can also be included. This approach means that well-being objectives should truly reflect the needs of local people and local communities.

In addition, we are currently taking forward a programme of engagement with external stakeholders on our approach to building resilient communities. We will seek views on how we engage, support and strengthen communities through an approach centred on strengthening the resilience of communities to promote opportunities for all. This approach will be critical to the tackling poverty agenda.

As we take forward the commitments set out in our Programme for Government, a key role for Welsh Government will be to ensure we work more closely with partners to deliver on our ambition that every child and young person should have the best possible start in life and the opportunity to thrive and succeed. Only by working in partnership can we hope to achieve the level and pace of change which is needed to eradicate child poverty in Wales.

Our collaborative approach will be vital to our success.



Objective 1 - To reduce the number of families living in workless households: Update on Key Programmes

Reducing the number of workless households in Wales remains a priority for the Welsh Government. We know that employment is the best route out of poverty and have developed a range of key policies and programmes to help realise this goal.

The number of workless households in Wales continues to fall and the number of children living in workless households is at an all time low.

However, while we are making important progress, we are not delivering change at the pace and scale needed in a number of key areas. Economic inactivity remains high and under-employment is also an issue, linked to the growing problem of in-work poverty.

We also need to support our mainstream services to work together more effectively, identifying gaps in provision and avoiding the potential for duplication.

European Funding for Tackling Poverty

Tackling poverty is a Cross Cutting Theme in all key European Structural and Investment Funding Programmes and provides an opportunity to target and support those furthest from the labour market with specific action. Projects being funded through the European Social Fund will be critical to supporting those furthest from the workplace into employment opportunities.

ESF programmes help to deliver actions to increase employability and support unemployed individuals, particularly those with low or no skills, to gain higher or more work relevant skills. Key Welsh Government programmes for reducing the number of people living in workless households include Communities for Work and PaCE.

Youth Engagement and Progression Framework (YEPF)

The YEPF underpins and drives our approach to reducing the number of young people who are not in employment, education or training (NEET). Under the Framework, each local authority identifies young people at risk of becoming NEET and the specific support they need to make positive progress. The Common Area Prospectus Tool, developed by Careers Wales, allows young people to see the range of options available for post-16 learning. The formative evaluation follow up study of the YEPF confirms that local authorities continue to make progress in this area and the Framework has enabled increased co-ordination between stakeholders.

Going Forward

We are developing guidance to further support post-16 early identification and tracking and improve transition. We are focussing on harder to reach and more vulnerable groups, such as Looked After Children (LAC), young people in the youth justice system and those with social, emotional and behavioural difficulties who are receiving their education otherwise than at school. Careers Wales are looking to develop regional data hubs to help improve the data available to local authorities, so they can better track and provide support for 16 – 18 year olds at risk of becoming NEET.

Communities for Work

The Communities for Work Programme aims to increase the employability of economically inactive and long term unemployed adults facing significant and often complex barriers which prevent them taking up training or employment. It is also aimed at reducing the number of 16-25 year olds who are NEET. Beneficiaries will include a high number of people from workless households and in all cases the programme will have the ultimate goal of supporting them into employment. As at 31 August 2016, advisers have engaged with 5,079 people and have supported 781 people into employment.

Going Forward

Communities for Work is designed to support 41,000 people over the next three years and help more than 8,000 participants into work.

Objective 1 - To reduce the number of families living in workless households: Update on Key Programmes

Parents, Childcare and Employment (PaCE)

Our PaCE programme helps facilitate a route into sustainable employment, education or training for economically inactive parents, including second earners by providing childcare and helping parents to improve their employment prospects. At the end of September 2016, PaCE had engaged with 1,179 parents, helping them gain confidence and the skills and training needed to prepare them for work. A total of 152 parents have now started work as a result of PaCE intervention, the majority of whom were in workless households prior to enrolling.

Going Forward

PaCE aims to support at least 20 percent of its participants to find work. It is anticipated over 1,500 parents will enter sustainable employment. Other outcomes include volunteering, training and gaining a qualification which will improve employability prospects.

Lift Programme

The Lift Programme commits to providing 5,000 training and employment opportunities to people living in workless households, where no one has worked for at least six months, by the end of 2017. The Programme supports people facing significant, and often multiple, barriers which prevent them taking up training or employment, and has a particular focus on young single parents, people with few or no qualifications and disabled people. As at 31 July 2016, the programme had provided 3,622 training and employment opportunities, with 720 people supported into employment. Lift is on track to meet its overall target.

Going Forward

Lift is being delivered in 9 areas, based on 12 Communities First Clusters, across Wales. It provides tailored support delivered via Brokers or Mentors, who work intensively with participants to identify and overcome barriers preventing them taking up training or employment and support them into suitable opportunities.

Community Benefits Policy

Value Wales has developed the Community Benefits Policy which promotes engagement with communities and contributions to education by contractors and suppliers to inspire and raise aspirations in the area in which contracts and projects are being delivered. This includes the creation of employment and training opportunities for those furthest from the labour market.

A Community Benefits Measurement Tool has been developed to capture the outcomes delivered through public sector contracts. The 250 procurement projects that have submitted measurement tool results to end of July 2016 show that the Community Benefits approach has been applied to contracts worth £1.3bn, of which 83% has been retained in Wales as revenue to businesses or as salaries to people resident in Wales. The projects have supported 1,783 people into employment and delivered 38,668 weeks of training.

Going Forward

There is greater capacity for this type of approach to be built into other areas of public procurement. The [Wales Procurement Policy Statement](#) sets out 10 principles by which public sector bodies in Wales are expected to conduct their procurement. Value Wales promotes and monitors the policy as part of Welsh Government's commitment to strengthen support available on the ground and to challenge application.

Objective 2 - To increase the skills of parents and young people living in low-income households: Update on Key Programmes

Skills have a major impact on both the economic and social well-being of Wales.

We know that skills provide a strong lever for tackling poverty by helping to maximise individual potential. They have the potential to reduce barriers to work and support people into employment, helping Wales to develop into a competitive and productive nation.

From an economic perspective, a focus on increasing skills and moving people on in work is critical to generating the high wage, high skill economy that we want in Wales. They strengthen the creation of jobs and growth by helping employers to grow and flourish.

The Welsh Government has put a range of policies and programmes in place which will contribute to increasing the skills of parents and young people throughout their working lives.

Skills Policy

Skills and post-16 learning will be integral to delivering economic growth and job creation as outlined in the Programme for Government.

The priorities for the skills portfolio will focus on three areas:

- To create a minimum of 100,000 apprenticeship opportunities to support individuals and to help employers in growing their businesses.
- To support people seeking the employability skills needed to get quality jobs.
- To promote, encourage and enable innovation and connectivity.

This work will include engagement with employers and the business skills support available to them. In addition, there will be ongoing development of regional models for employment and skills delivery, underpinned by the work of the three Regional Skills Partnerships.

Skills Gateway

The Skills Gateway provides a single point of access for people 25+ seeking employability and skills support in Wales. Delivered by Careers Wales, the service provides support through a telephone helpline service, face-to-face and online guidance. Up to March 2016, the Gateway supported over 8,249 clients including a further 6,000 follow up interactions. As a result, more than 1,263 people entered employment and 134 entered skills provision. A key project initiative called **Employment Routes** has been developed to capture and present all ESF and core non-ESF employability and skills provision currently available across Wales. Using an **Employment Routes interactive skills map**, opportunities can be matched to clients, based on their individual needs.

Going Forward

During 2016-2017, the scope of the Skills Gateway is being expanded to include support to individuals aged 18-24. Our service support model has also been developed to incorporate an enhanced level of focussed advice, guidance and employability skills support to cater for the increased referral rates of clients from Job Centre Plus.

Objective 2 - To increase the skills of parents and young people living in low-income households: Update on Key Programmes

EU Funded Skills Programmes

Under the 2007-2013 ESF Programmes, the Welsh Government Department for Education and Skills led on 23 projects with a total investment in delivery of £660 million (including £330 million ESF funding). This supported approximately 250,000 participants, increasing essential and job specific skills and improving the employment and career prospects of individuals. The evaluation of the Essential Skills in the Workplace (ESiW) programme showed that over half of the 21,000 participants identified they had improved employment or career prospects.

Going Forward

The Skills, Higher Education and Lifelong Learning group within the Welsh Government currently has 10 operations approved under the new 2014-2020 round of funding which will assist people to access, return to, remain in, and progress at work through skills and training support. The value of ESF approved to date is £153m which is expected to support around 137,000 participants. *Taking Wales Forward* sets out the commitment of the All-Age Employability Programme to reshape employability support for job-ready individuals, and those furthest from the labour market, to acquire the skills and experience to gain and maintain sustainable employment. The programme will deliver from 2018 and is expected to be responsive to individual, employer and wider economic needs. It will support individuals into sustained employment and to progress in the work place.

Apprenticeships

Central to our planning is our commitment to create a minimum of 100,000 all-age high quality apprenticeships places over this current Assembly term. The measure will help ensure alignment between the skills people gain and the skills that the economy needs. Our priorities include growing apprenticeship numbers for 16 to 19-year-olds; building up apprenticeships in priority sectors; and increasing the number of opportunities in higher apprenticeships. The recently published [evaluation of the apprenticeship programme](#) provides evidence on the effectiveness of the apprenticeships in Wales.

Going Forward

The opportunities offered by the quality apprenticeships will be open to people of all ages, particularly those trying to enter or re-enter the labour market. Opportunities to undertake an apprenticeship in Welsh will also be strengthened. A policy plan for apprenticeships will be published by the end of 2016. We will develop the web interface to support employers to find providers and apprentices. By the end of this Assembly term, a minimum of 100,000 people will have started an apprenticeship with the opportunity of gaining sustained employment and the prospect of career development.

Adult Community Learning

Adult Community Learning (ACL) continues to deliver a range of Essential Skills, English for Speakers of Other Languages (ESOL), Digital Literacy and Employability Skills to help tackle poverty. A [Review of Adult Community Learning Wales](#) which took place between February and May 2016 concluded that ACL provides opportunities for individuals to acquire new skills, achieve qualifications, progress onto further learning pathways, or directly into employment or volunteering. ACL also contributes to health and wellbeing, social inclusion, community cohesion and can act as a tool to tackle poverty. The review includes 6 recommendations to the Welsh Government.

Going Forward

The findings of the review and its recommendations will inform future policy development for ACL in Wales.

Objective 3 - Reducing the inequalities which exist in the health, education and economic outcomes of children and families living in poverty, by improving the outcomes of the poorest: Update on key programmes

Tackling inequalities is essential if we are to build resilience in our children and young people and improve their prospects. The Welsh Government is continuing to make progress in reducing the inequalities which exist in health, education and economic outcomes of low income households.

Communities First (CF)

During 2015/16, CF Clusters reported 2,626 participants over age 25 (in CF activities) entering employment and 3,284 participants over 25 completing employment related courses. Young people aged 16-24, particularly those NEET are a specific target area. During 2015/16, CF Clusters reported 973 participants aged 16-24 entering employment.

In 2015/16, Clusters reported 5,285 participants reducing/managing debt and 8,056 participants supported to access the benefits to which they are entitled.

While CF has made a difference to the lives of many people within the Cluster areas, we are looking at whether it offers the most effective way of supporting and empowering resilient communities across Wales.

Supporting People

The **Supporting People** programme helps people who are homeless or at risk of becoming homeless to find and keep a home and to live as independently as possible. It also enables support in temporary settings such as a homeless hostel, refuge, group home in the community or temporary housing, improving the lives of those supported as well as any children in the family unit. Data for 2016-17 indicates that the Programme will help provide 57,643 units of support for individuals and families. The recently published **Supporting People Data Linkage Feasibility study** highlights how people receiving support from the Programme had more appropriate health interventions, rather than them reaching crisis point and having to attend A&E. The programme also often prevents the need for more costly interventions from Health and Social Care.

Flying Start

During 2015-16 the Flying Start programme supported 38,269 children aged under 4 and their families, around 25% of the total population of children in the age-group. Evaluation evidence suggests the programme is making a real difference to the lives of Flying Start families. In the recent qualitative evaluation report, parents identified a range of improvements in their children's development. This included talking and communication, reading and counting, practical issues and behaviour and attitude. In addition, almost all parents interviewed felt Flying Start had a positive impact on their families' overall level of well-being. 52 percent of children in the Flying Start programme reached or exceeded their developmental milestones at age 3 in 2015-16.

Families First

Since 2012, we have invested over £225million into Families First. The 2015 **Evaluation of Families First Year 3 Report**, found significant change in the way local authorities deliver family support as well as potential large savings through helping families avoid poor long-term outcomes. Families First has improved the way agencies work together using a family-focussed approach to assessing and tailoring support via Team Around the Family (TAF), empowering families to improve their outcomes.

As at 31 March 2016, over 200 strategically commissioned projects were operating across Wales providing support for children and their families across a wide range of areas, including parenting support, advice services, health services (including mental health) and support for young carers.

Between April 2013 and March 2016, these projects were accessed 701,956 times. Although this figure may include individuals who access more than one project, and/or who access a project more than once, it illustrates the significant reach of Families First across Wales.

Objective 3 - Reducing the inequalities which exist in the health, education and economic outcomes of children and families living in poverty, by improving the outcomes of the poorest: Update on key programmes

We know that improving the educational outcomes for pupils receiving free school meals is critical to tackling poverty in the longer term. Welsh Government has implemented a number of initiatives aimed at breaking the link between poverty and educational attainment.

There is considerable evidence that investment which addresses barriers earlier in education – and indeed, in life – has a disproportionate positive benefit on outcomes.

Schools' Enrichment and Experiences Programme (SEEP)

The SEEP builds on a pilot, known as the 'Pupil Offer' which was established to enrich the educational experience of learners within Schools Challenge Cymru Pathways to Success Schools. The programme is extended to all primary and secondary schools and will support them to work with delivery partners from industry, voluntary, third and private sectors, arts, culture and sports organisations to ensure learners can access a broad range of experiences to support their learning development. Work is underway with schools to develop practical tools and resources to help schools design and deliver their enrichment programmes. This work will inform the development of the areas of learning and experience for the new curriculum.

Schools Challenge Cymru

Schools Challenge Cymru was announced in February 2014 to support 39 of the most challenged schools in Wales. The programme was always a time-limited initiative to accelerate improvement in some of our most challenged schools. It received central funding for three years, including £15m for 2016-17. Central funding for the Programme comes to an end in 2016-17. From the outset we have worked closely with Local Authorities and consortia to ensure an holistic approach. The Pathways to Success schools and regional education consortia have all developed their improvement plans in this context and exit strategies are already in place. The Cabinet Secretary for Education is reflecting on emerging evidence and will consider how that informs funding and school improvement programmes.

Rewriting the Future

Re-writing the future: raising ambition and attainment in Welsh schools is our national strategy to tackle the effects of deprivation on educational attainment. This strategy is underpinned by the **Pupil Deprivation Grant (PDG)**. Our 2015 ***Re-writing the future 2015: A year on*** showed significant progress in closing the educational attainment gap between pupils eligible for Free School Meals (eFSM) and their peers. A new reinvigorated approach will help education services and schools to better understand the needs of learners from deprived backgrounds.

Pupil Deprivation Grant (PDG)

Our investment in **Pupil Deprivation Grant** helped to close the attainment gap at each key stage in 2015. Taking Wales Forward sets out our commitment to closing the attainment gap between the poorest pupils and ensuring that every child gets the best start in life through an extended PDG. We have already announced that the funding available to support eligible learners in the Foundation Phase will double (from £300 to £600) and we will consider options for the future shape of the PDG to ensure support for disadvantaged learners.

A Curriculum for Wales: A Curriculum for Life

A new curriculum for Wales is being developed with education professionals across Wales following the publication of Professor Donaldson's report, **Successful Futures**. The new curriculum will be focused on four core purposes. In October 2015, the Welsh Government published its implementation plan, **A curriculum for Wales: a curriculum for life**. The design and development of the new curriculum and assessment arrangements is being led by practitioners through a network of Pioneer Schools. This is an innovative and collaborative way of working requiring intensive support from Welsh Government and high levels of stakeholder engagement with the Pioneers themselves, local government, Estyn and many other stakeholders. The first element of the new curriculum, a cross-curricular Digital Competency Framework, was made available to schools and settings in September 2016. Our aim is for the new curriculum and assessment arrangements to be available to settings and schools by September 2018 and used to support learning and teaching by September 2021.

Objective 3 - Reducing the inequalities which exist in the health, education and economic outcomes of children and families living in poverty, by improving the outcomes of the poorest: Update on key programmes

Wales is not unique in having a social gradient in health: health gets progressively better as the socioeconomic position of people and communities improve. Conversely, we know children growing up and living in low income households are much more at risk of having poorer physical and mental health outcomes.

In Wales, people living in the most deprived areas live more years in poor health than people in less deprived areas. Health inequalities also have an impact on economic prospects and growth.

We know that tackling the social and economic inequalities that drive inequalities in health are likely to be most effective. This includes areas such as tackling unemployment, investing in the early years, improving the physical environment and the provision of accessible services for all, whilst investing in additional support for vulnerable groups.

Healthy Child Wales Programme

We are responding to Professor Marmot's priority recommendation 'to give every child the best start in life' through our new Healthy Child Wales Programme (HCWP) which sets out a prudent, systematic, evidence based approach to child health surveillance and screening. At its core is reduction of inequity by ensuring the delivery of a universal service to all children in Wales, with additional support provided in response to identified needs.

Going Forward

Our Health Boards are required to demonstrate that appropriate action is being taken to address health inequalities through their Integrated Medium Term Plans. We expect to see particular progress through the ongoing development of primary care clusters, design and support to provide more person-centred services, and through implementation of the HCWP.

Workplace Health

We continue to provide a range of support to employers and employees to reduce the risk of people losing their job due to ill-health. The notion that 'good' work is good for both physical and mental health and well being is widely accepted. Children living in families where no-one works are more likely to live in poverty and suffer from poorer health.

Going Forward

Over 3,100 organisations employing 460,000 people, have engaged in Healthy Working Wales programmes. This represents 33% of the working population of Wales. In addition, the In Work Support service's £3.8m ESF project will support 4,232 individuals and 740 organisations to prevent job loss due to work-limiting health conditions. Employees are supported to remain in work, or to return to work sooner than would have been otherwise possible.

First 1000 Days Collaborative Programme

The First 1000 Days Collaborative Programme is jointly led by Public Health Wales and the Welsh Local Government Association (WLGA) alongside strategic leaders from the public, third and private sectors. It is in its development phase and has been established to improve child development outcomes from conception up to two years of age. The programme is being driven by the [United in Improving Health](#) initiative. The focus is on the early years, supporting families and tackling poverty.

Going Forward

A collaborative approach will more effectively align significant investment by a range of organisations and other assets to bring about improved outcomes. The programme is intended to help to reduce health inequalities and reduce the number of children who experience harm as a result of adverse events in the first 1000 days. It will also seek to deliver the best possible outcome from every pregnancy and support children to achieve developmental milestones in relation to language and communication, cognitive development and social interaction which are essential for attainment and occupational outcomes as well as health and well-being.

Objective 4 - Creating a strong economy and labour market which supports the tackling poverty agenda and reduces in-work poverty in Wales: Update on Key Programmes

Creating jobs and growth is central to our efforts to tackle child poverty by increasing the prosperity of people in Wales. Employment provides the best route out of poverty. Employment in Wales is close to a record high and we are outperforming all other parts of the UK with the sharpest declining rate of unemployment over the past 12 months. There were nearly 150,000 jobs supported by the Welsh Government during the last administration.

It is also important to recognise, however, that in-work poverty continues to be a significant and growing issue. Although children living in working households are less likely to be poor, there are now more children living in relative income poverty in working households (where one or more people are working) than in households where no one is working. One fifth of children in poverty live in a household where all adults work.

Economic Development

Significant action has been taken over the period of the Child Poverty Strategy to support the creation and retention of jobs that allow parents and young people in poverty, or at risk of poverty, to engage in a positive way with the labour market, recognising that jobs strongly protect families from poverty. Action has been taken to support businesses to stimulate investment and promote growth, including through start up and finance support, targeted business rate relief schemes, and the development of a strong property and land offer. We are supporting those in, or at risk of poverty to benefit from opportunities realised from economic growth.

We will continue to work with businesses to support job creation and deliver greater financial security for businesses and individuals across Wales. We will consider further opportunities to integrate and promote the importance of responsible business activity into the Business Wales services as well as signposting to flexible working policies via the Business Wales website and associated social media channels.

Role of the Sectors in Tackling Poverty

Welsh Government provides support for businesses across Wales to create and retain jobs. This includes work with anchor companies across a range of sectors to maximise opportunities for jobs and growth both within their own organisations and through their supply chain.

Across all priority sectors, action has been taken to support private sector job creation and retention in Wales which supports the tackling poverty agenda. Many of these projects are located in disadvantaged areas, with higher than average levels of unemployment and economic inactivity. These sectors vary in terms of the nature and level of employment opportunities they provide, supporting a balanced approach which stimulates demand for highly skilled individuals, as well as creating opportunities for those further from the labour market. For example, in the last five years the Financial and Professional Services (F&PS) sector has assisted in the creation and safeguarding of over 10,000 jobs. These opportunities are typically highly skilled, and provide good opportunities for advancement from entry level.

In the Tourism sector, the Tourism Investment Support Scheme (TISS) has supported a number of strategic investments across Wales, including Surf Snowdonia, Zipworld (North Wales), Bluestone, and the Royal Mint. These signature attractions and destinations are local centres for regeneration and employment opportunities, often located in rural communities, and have supported entry level employment opportunities for young people that allow them to work in (and stay in) Wales in a creative working environment. These investments also support a range of wider positive impacts.

Some priority sectors provide a wider contribution to tackling poverty. We are working with the construction sector on promoting and facilitating energy efficiency by retrofitting older housing stock. This will help tackle fuel poverty, support healthier living and provide local employment opportunities. In the Energy and Environment Sector, Warm Homes Nest & Arbed schemes, the Invest to Save and Green Growth projects are all aimed at improving energy efficiency. Arbed in particular targets disadvantaged communities and households, helping to mitigate the effects of poverty in those communities.

Going Forward

We will continue to work with Anchor Companies and employer bodies to provide advice, guidance and support to employers. We will engage with businesses and key partners to develop the right approach to grow prosperity and deliver greater financial security for businesses and individuals across Wales.

Objective 4 - Creating a strong economy and labour market which supports the tackling poverty agenda and reduces in-work poverty in Wales: Update on Key Programmes

Stakeholder Initiatives

The Wales TUC *Better Jobs – Closer to Home* initiative is seeking to establish two employment centres in the Heads of the Valleys area to provide meaningful work opportunities for disadvantaged workers. The Better Jobs initiative sets out that there has been a market failure in the region and consequently, people living in this area have been deprived of accessible, meaningful employment opportunities. Inevitably some travelling to employment will be required. The objective is to minimise this travel, keep workers in the Valleys and seek up to two employment hubs where most of the requirements can be met to support the largest concentration of disadvantaged workers.

Public Transport

Bus transport is recognised as being especially important to young people, older people, disabled people and those who may be economically underactive. Welsh Ministers have allocated £25m to local authorities annually since 2013-14 for bus and community transport services that would not otherwise be provided. We fund further key services, such as the TrawsCymru bus network, providing access to key employment and education centres across Wales.

The Welsh Government's concessionary bus travel scheme, which cost £72m in 2015-16, guarantees free travel on local bus services throughout Wales for older or disabled people, and for seriously-injured service veterans and personnel. This scheme removes the burden of travel costs for many households in poverty, including those with children. Since September 2015 the Welsh Government has funded a scheme offering one-third discounts on local bus services for 16, 17 and 18 year olds for all of their journeys by bus. Where bus services are limited, we have put in place arrangements where concessionary travel passes can be used on train lines. From 2014 we have helped keep rail fares low by providing additional funding to ensure that regulated rail fares on the Wales and Border Franchise cannot be increased above the rate of inflation.

Transport

The [Wales Transport Strategy](#) sets out the Welsh Government's aims for improving transport to keep Wales connected, improve the economy and safeguard our environment.

National Transport Finance Plan

Our [National Transport Finance Plan](#) contains relevant actions in support of strategic projects such as the A465 Heads of the Valley Road, the South East Wales Metro, funding and quality of bus services, concessionary fares and access to key services, especially health. We allocate £25 million to local authorities annually since 2013-14 to help subsidise bus and community transport services. We fund further services, such as the TrawsCymru bus network which carried more than 2 million passengers last year.

Social Clauses in transport projects

Where we invest directly in infrastructure, all our significant contracts include social clauses through which we seek to maximise the employment and training opportunities for people in local communities, for example through apprenticeships. A particular emphasis is placed on trying to provide opportunities for those in workless households through the LIFT programme.

Going Forward

We have recently undertaken a public consultation on policy outcomes for the next Wales and Borders rail franchise. Respondents told us fares for rail services delivered as an integrated public transport system need to be affordable to ensure that services remain accessible to the passenger. The next franchise is scheduled to be renewed in 2018, and these views will be taken into account when developing the specification for the award of the next franchise. We make substantial capital funding available to local authorities each year for local transport schemes; in 2016/17 this funding is totalling over £26m. Funding bids for these grants are assessed against key criteria, which reflect the aspirations of the Child Poverty Strategy.

Culture and Sport

Wales and the Welsh Government have taken the lead in articulating the powerful role that arts and culture can play in tackling poverty. This is reflected in the two reports commissioned by Welsh Government on [Arts in Education in the Schools of Wales](#) and [Culture and Poverty: Harnessing the power of the arts, culture and heritage to promote social justice in Wales](#). These reports set out the important role that culture, heritage and the arts play in inspiring people to learn and gain skills, and emphasises the importance of cultural activities to improving the aspirations, ambitions and prospects of children and young people.

Objective 4 - Creating a strong economy and labour market which supports the tackling poverty agenda and reduces in-work poverty in Wales: Update on Key Programmes

Arts and Creative Learning Plan

The **Arts and Creative Learning Plan** will implement the recommendations of the *Arts in Education* report, to increase and improve opportunities to engage in arts experiences and to improve attainment through creativity. The 5 year plan is funded jointly by the Education Directorate and the Arts Council of Wales (ACW) with £20 million being made available over the lifetime of the plan.

As of July 2016 the **Lead Creative Schools scheme**, run by ACW to improve attainment through creativity, engaged with 265 schools. ACW also launched the 'Go and See' grant in 2016 to encourage schools, especially those in disadvantaged areas to benefit from arts activities.

Tackling Rural Poverty

Low income households in rural areas often experience additional costs relating to everyday activities such as travelling to work or school, and a higher level of income is needed to achieve a sufficient standard of living.

The Welsh Government launched the **Rural Communities: Rural Development Programme 2014-2020** (RDP) to support development of rural economies. A priority for the programme includes a focus on promoting social inclusion and poverty reduction in rural areas. As part of the RDP, the **Rural Community Development Fund** (RCDF) offers investment funding to help prevent and mitigate the impact of poverty in rural communities. In recognition of the difficulties rural communities face, it includes a focus on access to services, digital inclusion, fuel poverty and in-work poverty. The Rural Community Development Fund (RCDF) is committed to a further two expression of interest windows over the next year.

We have been working with the Public Policy Institute for Wales (PPIW) to look at 'what works' in tackling rural poverty. **The report** published by PPIW in June 2016 focusses on existing research and evidence gaps. PPIW are currently working on a report highlighting evidence surrounding successful interventions in rural communities.

Fusion

Fusion: Tackling Poverty through Culture provides a framework for a range of organisations to contribute to a shared anti-poverty agenda, delivered in 2015-16 and 2016-17 with initial assistance from the CF programme.

In 2015-16, we established the Pioneer Area Programme where coalitions of cultural and community bodies developed activities to encourage and support individuals, including many children and young people from deprived communities, to enjoy and take part in cultural activity as a way to gain confidence, skills and qualifications.

The emphasis is on cultural bodies aligning services and projects to benefit participants in areas of disadvantage and challenging them to design activities and programmes to meet these priorities. Amgueddfa Cymru led on the evaluation and research that underpins Fusion and a comprehensive **Evaluation Report** was published in March 2016.

Sports

Welsh Government has also taken action to maximise the role that sporting activity can play to tackle disadvantage, promote social inclusion and improve the aspirations and outcomes of children and young people.

Taking this work forward, Sport Wales have been working with partners such as Street Games to provide a range of better quality sporting opportunities for young people living in socially deprived areas across Wales. The overall aim is to see young people having equality of opportunity irrespective of their social circumstances so that they enjoy playing sport and engaging in physical activity which helps them to maintain a healthy lifestyle.

Free swimming is a Welsh Government initiative which provides opportunities for young and older people to lead active healthy lifestyles through water-based activities. Following a review of the programme, greater emphasis was placed on the importance of teaching children to swim, with particular focus on supporting those living in economically and socially deprived areas.

Sport Wales continues to work with partners to provide a range of better quality sporting opportunities for young people living in socially deprived areas across Wales.

Objective 5 - Supporting households “here and now” to increase their household income and address the poverty premium: Update on Key Programmes

Financial and digital inclusion initiatives can help mitigate the impact of in-work poverty by equipping families with the skills and resources they need to help their money go further.

Becoming over-indebted can impact negatively on people’s lives, including the lives of children living in families which are struggling to manage their finances. Addressing the issue of over-indebtedness helps to prevent the physical and mental health problems that financial stress causes by supporting people to take control of their finances.

Financial Inclusion Strategy and Delivery Plan

The **Financial Inclusion Strategy for Wales** provides a commitment for partner organisations to identify and train front line staff who can provide signposting services and ensure they have access to the most up-to-date information on both preventative and crisis advice services in their areas and links to appropriate online resources.

Going Forward

A Delivery Plan is currently being developed in consultation with key partners and informed by responses to the public consultation on the draft Strategy with a view to publishing in late 2016. It will set out the actions and success measures required to increase financial inclusion across Wales.

Credit Unions

Since April 2014, Welsh Government has committed almost £1.9million to support **Credit Unions** until March 2017. This funding allows them to support financially excluded people who may not be able to access mainstream financial products. The funding has enabled the provision of more than 22,600 loans to individuals totalling £18.6m. Since the funding began in April 2014 Credit Unions have reported more than 22,600 new members have joined a Credit Union.

Advice Services

The Better Advice, Better Lives (BABL) project has been funded by the Welsh Government and managed by Citizens Advice Cymru since April 2012. BABL is an income maximisation programme, aimed at reducing poverty which operates in every local authority area in Wales.

In 2015/16, BABL advisers helped over 18,637 people across Wales with more than 46,000 issues. The total benefit / financial gain for people and communities identified through the project in the year was more than £20.7 million. Since the start of the project, BABL has helped over 72,700 people bringing in confirmed gains of more than £66.5million.

In addition to reducing poverty, accessing their entitlements can also reduce the associated negative impact of poverty on people’s health. Local economies also benefit from people spending money in the neighbourhood. An **evaluation** of the implementation of BABL was published in November 2015.

Digital Inclusion

Delivering Digital Inclusion: A Strategic Framework for Wales sets out the steps Welsh Government will take to help more people benefit from the opportunities that digital technologies present, including those in the most digitally excluded groups.

Having access to digital technologies and the motivation and skills to use them effectively, can provide families with the opportunity to increase household income by accessing cheaper goods or services which are often only available online. It can also help alleviate feelings of isolation and encourage individuals to engage with their local community.

Having poor ICT skills can also become a barrier for young people who are NEET. The Welsh Government’s Digital Inclusion Strategy recognises that digital skills can make an important contribution to increasing a person’s employability. Having access to the internet can also support people to access opportunities to increase their skills including training, volunteering and employment.

Going Forward

We aim to help 95% of people to gain at least the basic digital skills needed for the 21st century by 2021. We will also prioritise access to super-fast broadband for schools and support the roll-out of digital competence under the new curriculum.

Objective 5 - Supporting households “here and now” to increase their household income and address the poverty premium

Discretionary Assistance Fund

On 1 April 2013, the Welsh Government set up a national scheme called the **Discretionary Assistance Fund** (DAF) to enable or maintain independent living for vulnerable people who have no other means of meeting the immediate cost of living. In the first three years of the DAF, 2013/14 - 2015/16, it helped over 88,000 people in Wales, with over £21.3 million being spent on grants to support our most vulnerable people. To date, in 2016/17, more than 15,000 people have been supported with over £3 million in grants. Welsh Government has agreed the re-procurement of the contract to deliver the DAF beyond March 2017.

Water

Welsh Government has worked with the two water companies in Wales to assist them in supporting customers from low income households through the development of their Social Tariffs. We have also issued regulations which help water companies tackle the issue of bad debt by allowing them to send accurate and timely bills to tenants in rented properties and identify vulnerable customers at an earlier point.

Welsh Government's Water branch has linked with the Nest fuel poverty programme, allowing Nest to offer water efficiency advice and identify potentially eligible customers for social tariffs to help reduce their water bill. This in turn has led to referrals to the water companies' social tariffs. The Welsh Government has developed further guidance to Ofwat relating to their charging rules to water companies to ensure that affordability is considered when companies develop their charging structures.

We will monitor and review the effectiveness of the social tariffs and the industry's Bad Debt Regulations. We will also work with stakeholder organisations to look at how customers receive advice on water bill affordability, ensuring the advice is consistent and identifying gaps in advice provision.

Fuel Poverty

Welsh Government Warm Homes programme, which includes the demand-led Nest and area-based Arbed schemes are our main levers for tackling fuel poverty through improving the energy efficiency of homes in Wales. The recent findings of the Building Research Establishment's report on estimated fuel poverty levels from 2012 to 2016 indicate a 6 percentage point reduction in the estimated number of Welsh households in fuel poverty, in just four years. Investment in *Welsh Government Warm Homes* schemes will continue through the Nest scheme and through grant funding to local authorities for area-based schemes.

Since 2011, *Warm Homes Nest* has provided advice and support to over 85,000 households, with over 23,700 of these benefitting from free home energy improvements. Over 1,190 people have received new or additional benefits resulting in a total of £2.25 million in benefit take up. Over 1,000 people have received a Warm Homes Discount rebate on their electricity bill totalling over £140,000. A 12 week public consultation was launched in July seeking views on the design of a new demand-led scheme to succeed Nest from September 2017. The **Fuel Poverty Data Linking Project** has reported emerging findings on the health benefits of the Nest scheme. The findings will also help to inform the consultation.

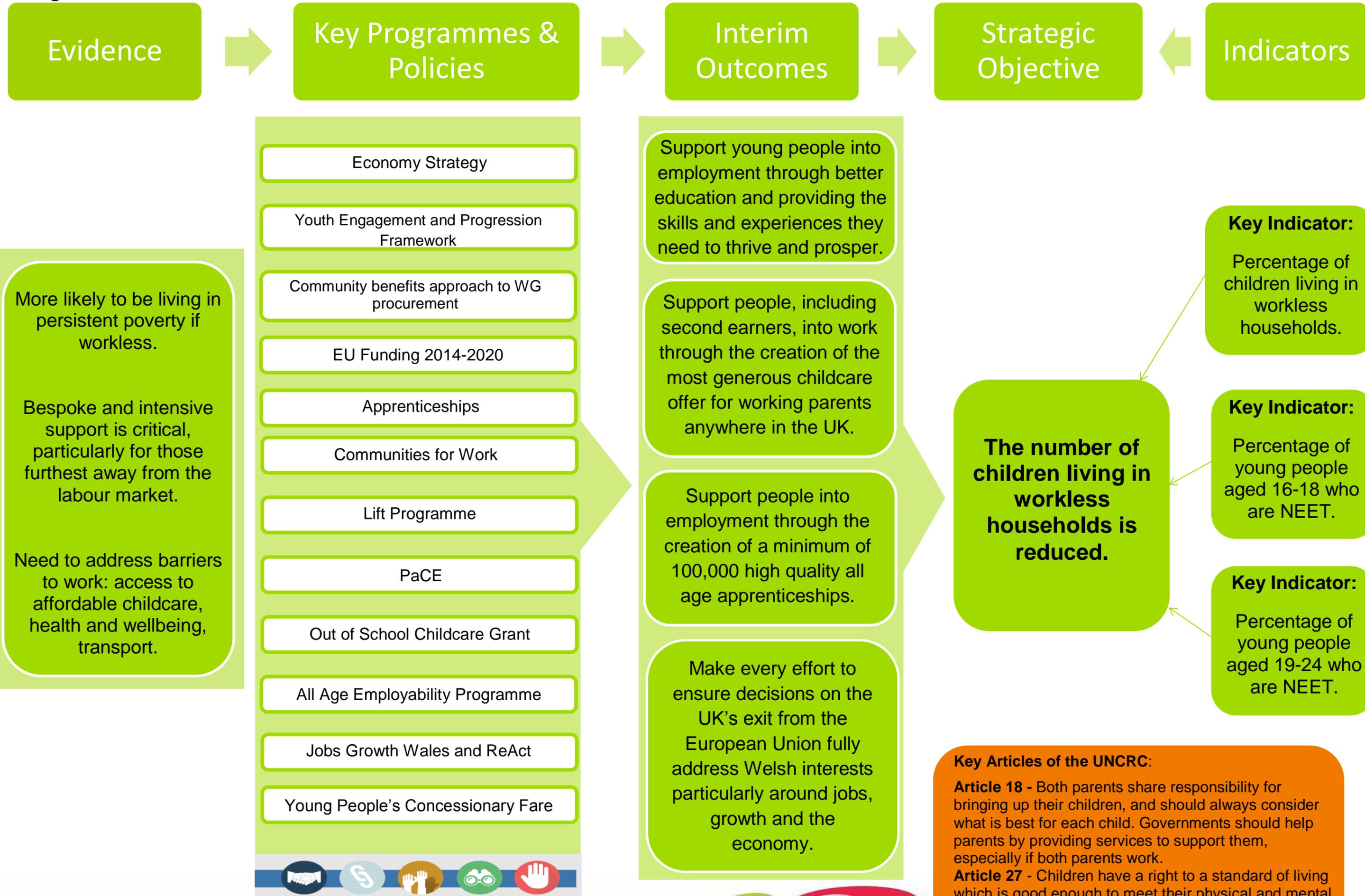
Since 2009, *Warm Homes Arbed* schemes have improved over 22,000 homes in some of the most deprived areas of Wales with *Arbed 2* alone creating more than 470 jobs and assisting the delivery of more than 60,000 hours of training in green technologies to existing and new employees. We are also developing a bid with WEFO for EU funding to deliver a new area-based scheme to succeed *Arbed 2* ERDF in 2017.

Reducing the cost of running new homes

To support the fuel poverty agenda, new social homes built with Welsh Government subsidy are currently required to meet Development Quality Requirements. This means not only ensuring that homes are accessible but also that they are energy efficient, adaptable to meeting changing needs and that children have space to play and study. We are considering how best to improve this, with a particular focus on the energy performance of homes to reduce fuel poverty.

The Government is committed to developing new models of housing that will reduce fuel poverty, future proof for climate change, provide healthy environments in which to live and be capable of meeting the needs of a changing demographic. The Welsh School of Architecture has been commissioned to explore new models and their research will help inform the type of homes the Welsh Government supports.

Logic Models: Worklessness



More likely to be living in persistent poverty if workless.

Bespoke and intensive support is critical, particularly for those furthest away from the labour market.

Need to address barriers to work: access to affordable childcare, health and wellbeing, transport.

Key Programmes & Policies

- Economy Strategy
- Youth Engagement and Progression Framework
- Community benefits approach to WG procurement
- EU Funding 2014-2020
- Apprenticeships
- Communities for Work
- Lift Programme
- PaCE
- Out of School Childcare Grant
- All Age Employability Programme
- Jobs Growth Wales and ReAct
- Young People's Concessionary Fare

Interim Outcomes

- Support young people into employment through better education and providing the skills and experiences they need to thrive and prosper.
- Support people, including second earners, into work through the creation of the most generous childcare offer for working parents anywhere in the UK.
- Support people into employment through the creation of a minimum of 100,000 high quality all age apprenticeships.
- Make every effort to ensure decisions on the UK's exit from the European Union fully address Welsh interests particularly around jobs, growth and the economy.

Strategic Objective

The number of children living in workless households is reduced.

Indicators

- Key Indicator:** Percentage of children living in workless households.
- Key Indicator:** Percentage of young people aged 16-18 who are NEET.
- Key Indicator:** Percentage of young people aged 19-24 who are NEET.

Key Articles of the UNCRC:

Article 18 - Both parents share responsibility for bringing up their children, and should always consider what is best for each child. Governments should help parents by providing services to support them, especially if both parents work.

Article 27 - Children have a right to a standard of living which is good enough to meet their physical and mental needs. The Government should help families who cannot afford to provide this.



Logic Models: Skills

Evidence

Key Programmes & Policies

Interim Outcomes

Strategic Objectives

Indicators

Skills have a major impact on both the economic and social well-being of Wales and are fundamental to the creation of jobs and growth.

Increasing basic skills and employability are critical to supporting those furthest from the workplace.

- Policy Statement on Skills
- Skills Implementation Plan
- Youth Engagement and Progression Framework
- Regional Employment and Skills Plans
- A Curriculum for Wales: A Curriculum for Life
- Skills Gateway
- Adult and Community Learning
- Community Based Learning
- Apprenticeships
- EU Funding 2014-2020
- Volunteering



Maximise opportunities to ensure children and young people are ready and able to play a full part in life and work.

Widen access to higher education opportunities for young people and families from deprived backgrounds by developing closer links between universities and schools.

Improve skills and address barriers to entering and remaining in work through the development of a new All Age Employability Programme.

Support job ready individuals and those furthest from the labour market to acquire the skills and experience they need to gain and maintain sustainable employment.

The skills of Parents and Young People are increased to enable them to secure well paid employment.

Key Indicator:

Percentage of adults with basic skills

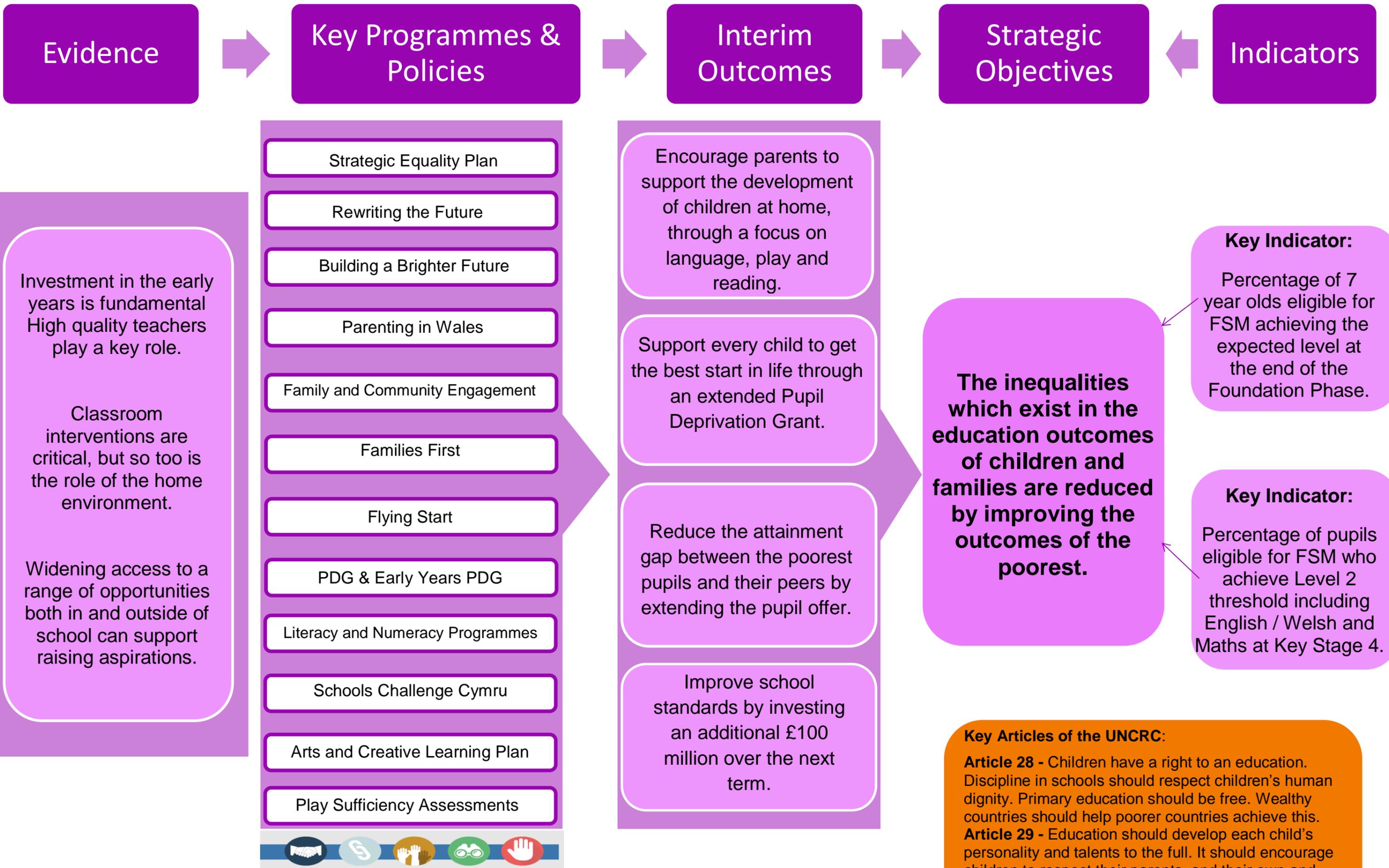
Key Indicator:

Percentage of working age adults holding qualifications at levels 2, 3 or 4 and above.

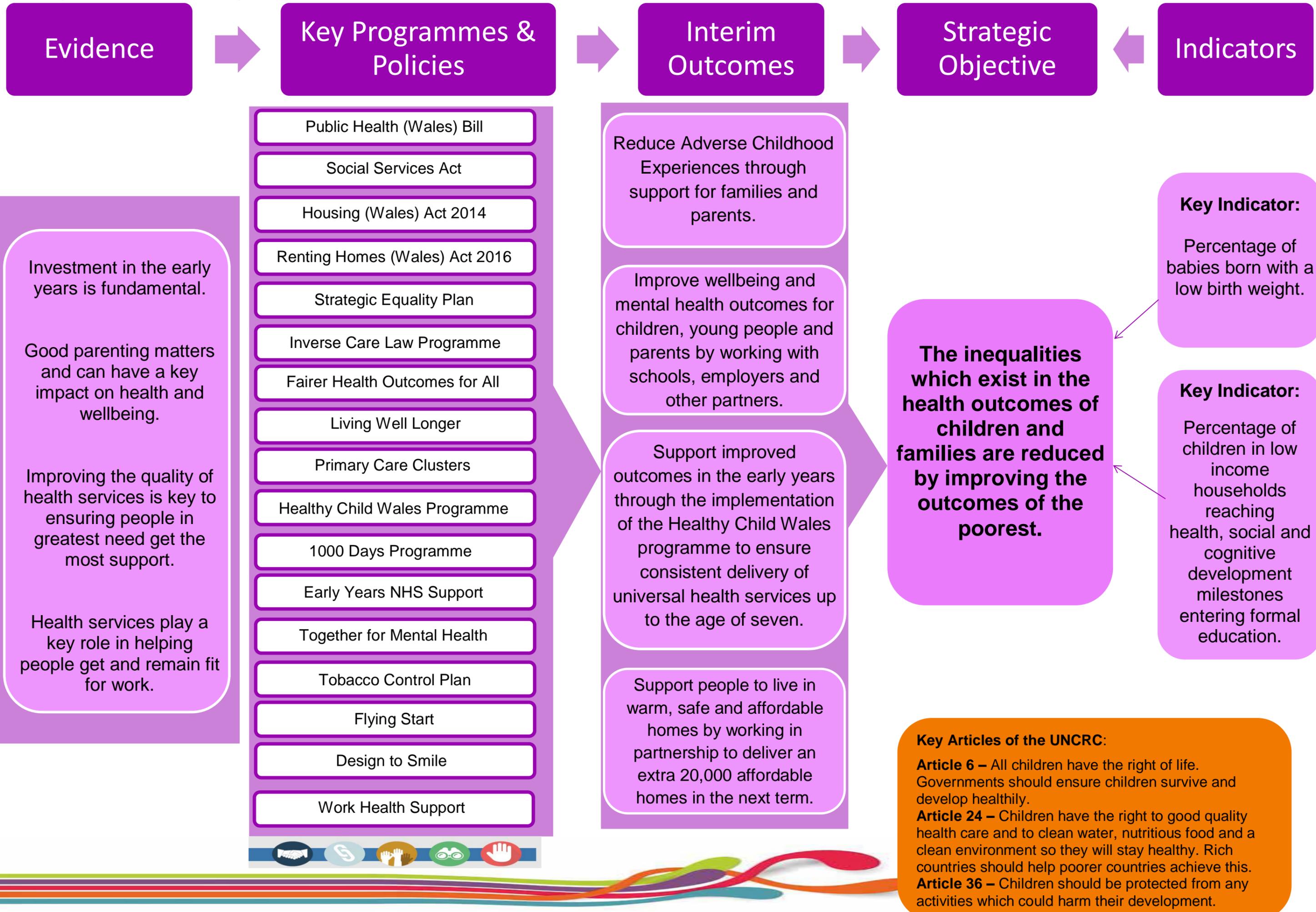
Key Articles of the UNCRC:

Article 28 - Children have a right to an education. Discipline in schools should respect children's human dignity. Primary education should be free. Wealthy countries should help poorer countries achieve this.

Logic Models: Reducing inequalities in Education Outcomes



Logic Models: Reducing inequalities in Health Outcomes



Logic Models: Employment and a strong economy

Evidence

Key Programmes & Policies

Interim Outcomes

Strategic Objective

Indicators

Sustainable employment and access to good jobs is critical.

There is an important role for different sectors to support the tackling poverty agenda.

Employers have a key role to play in supporting low income households to enter, remain and progress in employment.

Support inward investment and the creation and new jobs through programmes including Wales Development Bank and Business Accelerator Scheme

Utilise Value Wales and Welsh Government procurement and social clauses to support community benefits

Development of Cardiff City Region Deals, a similar deal for Swansea and a Growth Deal for North Wales

Key transport developments such as the Metro system, M4 relief road and other transport initiatives

Increase access to communications networks and fast, reliable broadband through the Superfast Cymru Programme

Reduce costs to businesses through a programme of tax cuts

Support for the commercialisation of research and innovation

Maximise opportunities for employment growth and training within deprived areas through bespoke initiatives.

Improve connectivity and access to employment and training opportunities through a range of transport initiatives.

Use all available levers to increase people's employability and reduce in-work poverty through a range of initiatives including private sector collaboration on the living wage, flexible working, increasing skills and career pathways.

Increase employment opportunities and business growth through strategic spatial development.

Low income families are supported to achieve better employment outcomes by having a strong economy and labour market which support the poverty agenda.

Key Indicator:

Percentage of children living in relative income poverty.

Key Indicator:

Percentage of children living in workless households.

Key Indicator:

Percentage of children living in relative income poverty where at least one adult is working.



Key Articles of the UNCRC:

Article 27 - Children have a right to a standard of living which is good enough to meet their physical and mental needs. The Government should help families who cannot afford to provide this.

Logic Models: Income Maximisation

Evidence

Key Programmes & Policies

Interim Outcomes

Strategic Objective

Indicators

Income matters.

Advice services play a key role in supporting households to maximise household income.

Action to reduce living costs (food / fuel / water / transport) is critical.

Financial Inclusion Strategy & Delivery Plan

A Curriculum for Wales: A Curriculum for Life

Digital Inclusion Strategy

Welsh Housing Quality Standards

Better Advice Better Lives

Front Line Advice Services

Income Maximisation Schemes

Welfare Reform Mitigation

Discretionary Assistance Fund

Credit Unions

20,000 Affordable Homes

Improve & maintain 221,000 existing social houses

Warm Homes Programmes / Water Strategy

Food Poverty Mitigation

Free Swimming / Free Museum Access

Free School Breakfast / Free School Meals

Childcare Offer

Reduce the number of people with problem debt and ensure low income households are supported to maximise their income through continued work on financial inclusion, including support for advice services and credit unions.

Increase financial literacy, especially amongst young people. Financial Education will form a vital part of the new Welsh Curriculum.

Support all individuals to take advantage of digital opportunities by prioritising access to superfast broadband for schools & aiming to help 95% of people to gain at least the basic digital skills needed for the 21st century by 2021.

Support people to reduce household bills by working with utilities companies.

Families are supported to increase their household income (and make their money go further) through access to financial entitlements, reduced household spend, access to services and support to manage finances.

Key Indicator:

Percentage of children living in relative income poverty.

Key Indicator:

Percentage of children living in households experiencing in-work poverty.

Key Articles of the UNCRC:

Article 26 - Children either through their guardians or directly have the right to help from the Government if they are poor or in need, including social security.

Article 27 - Children have a right to a standard of living which is good enough to meet their physical and mental needs. The Government should help families who cannot afford to provide this.

