Summary Report

December 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

Related documents
- Taking Wales Forward 2016-2021
- Building Resilient Communities: Taking forward the Tackling Poverty Action Plan (2013)

Additional copies
This document can be accessed on the Child Poverty pages of the Welsh Government’s website at:
www.gov.wales
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.

Carl Sargeant AC/AM
Cabinet Secretary for Communities and Children
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.

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 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.

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.
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.
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.
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.
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.

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.

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 e-FSM 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 e-FSM 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 Consotia 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](#).
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.

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.

---

Child Poverty Indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>% of babies (live births) in the most deprived areas born with low birth weight (under 2,500gm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-04</td>
<td>7.7%</td>
</tr>
<tr>
<td>2010-12</td>
<td>6.7%</td>
</tr>
<tr>
<td>2012-14</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

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

---
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.

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 £66.5 million.

Credit Unions: Since April 2014, £1.9 million 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.
### 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.

<table>
<thead>
<tr>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>To reduce the proportion of babies born under 2500g in the most deprived fifth of the population by 19 percent – by 2020.</td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>To reduce the number of young people who are not in employment, education or training aged 16-18 to 9 percent by 2017.</td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>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).</td>
<td>52 percent of children in the Flying Start programme reached or exceeded their developmental milestones at age 3 in 2015-16.</td>
</tr>
<tr>
<td>To offer 5,000 training and employment opportunities to people in workless households by the end of the 2017 calendar year.</td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
<td>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.</td>
</tr>
</tbody>
</table>
Assessment of Progress in Delivering the 5 New Priorities

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 alongside 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.

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.

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.

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.
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.
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.
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.
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.
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.
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.