

1.2 Poverty in childhood

Introduction

Child poverty is considered to be a key social determinant for the nation to tackle in order to reduce inequalities in health and social exclusion in our society. There is a strong, national research evidence base linking parental and child poverty to the health, wellbeing, educational attainment of children and later employment outcomes of young people.

'Reductions in child poverty will benefit everyone: more children will fulfil their potential, more families and communities will prosper and the UK will succeed. This is why it is in everyone's interests to play their role in eradicating child poverty' (HM Treasury, 2008).

Children in Low-Income Families Local Measure

The *Children in Low-Income Families Local Measure* (formerly the *Revised Local Child Poverty Measure* or *National Indicator 116*) shows the proportion of children living in families in receipt of out-of-work (means-tested) benefits or in receipt of tax credits where their reported income is less than 60 per cent of UK median income. Median income is set out annually in the DWP *Households Below Average Income* (HBAI) publication series.

This measure provides a broad proxy for relative low-income child poverty as set out in the Child Poverty Act 2010, and enables analysis at a local level. Statistics are published at various levels of geography providing an annual snapshot, as at 31 August, from 2006 onwards. Data are provided with a significant time lag: the latest available figures are for 31 August 2011, with the next release (2012 figures) due for release in September 2014.

Households Below Average Income

Average (median) income in 2011/12 was £427 per week before housing costs, and £367 per week after housing costs. This means that the threshold to determine if someone is in relative low income, 60 per cent of average income, was £256 per week before housing costs, and £220 per week after housing costs. Measures of relative poverty focus on income before housing cost, as after housing cost measures can underestimate the true living standard of families who choose to spend more on housing to attain a higher standard of accommodation.

The national income distribution showed a high concentration of individuals just above the relative low-income threshold: so there are a substantial number of people who are not classified as living in relative low income, but who still fall well short of receiving an average income of £427 per week.

The following groups were more likely to be in relative low income in 2011/12 compared to the overall population:

- children and working-age adults in workless families, lone-parent families, those in families with three or more children and people in households with no savings;

- those aged 85 or more, pensioners having no occupational/personal pensions and pensioners living alone;
- households headed by a member of certain ethnic minority groups, particularly someone of Pakistani or Bangladeshi ethnic origin;
- individuals in families containing one or more disabled member, and social rented sector tenants.

Child Poverty at Walsall Borough Level

The latest child poverty figures for Walsall (2011) show that there were 16,145 children under 16 living in low income families – representing 29.2% of all children in the borough. This was below both the England average of 20.6% and the regional West Midlands average of 23.8% (see table 1).

Walsall ranks as the 26th worst performing area for child poverty out of 326 local authorities in England, putting it in the worst 8% nationally. This is poorer than its position in 2006, when it was among the worst 12%.

As with the national and regional figures, the rate of child poverty has varied across the borough over the past few years (see figure 1). The slight improvement seen in 2008 (when the number of Walsall children in poverty fell to 15,665) were wiped out in 2009 when the impact of the recession – and a subsequent rise in benefit claimants – saw over 1,000 additional children in poverty. Since then the numbers and rate have reduced again slightly, following the national and regional trend.

Figure 1: Children under 16 living in low-income families*



Source: HMRC

**Children in families in receipt of Child Tax Credits (<60% median income) or Income Support/Jobseeker's Allowance*

Table 1: Children under 16 living in low-income families*

	Walsall		West Mids	England
	number	rate	rate	rate
2006	15,785	29.2%	24.1%	21.8%
2007	16,505	30.7%	24.9%	22.4%
2008	15,665	29.1%	24.0%	21.6%
2009	16,675	30.6%	24.6%	21.9%
2010	16,165	29.5%	23.8%	21.1%
2011	16,145	29.2%	23.2%	20.6%

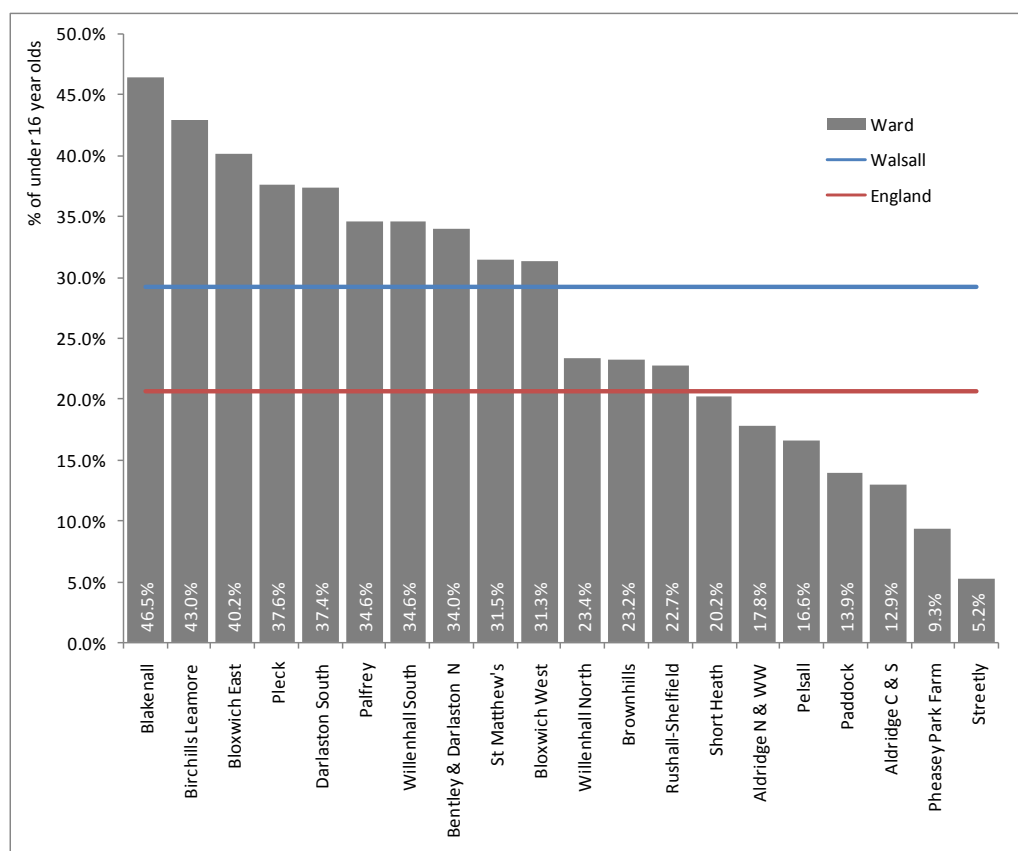
Source: HMRC

**Children in families in receipt of Child Tax Credits (<60% median income) or Income Support/Jobseeker's Allowance*

Child Poverty at Walsall Ward Level

While the overall level of child poverty in the borough is high, this masks wide variation at the local level (see figure 2).

Figure 2: Children under 16 living in low-income families* by Walsall Ward, 2011



Source: HMRC

**Children in families in receipt of Child Tax Credits (<60% median income) or Income Support/Jobseeker's Allowance*

There are 10 of Walsall's 20 wards above the borough average, while the other half are below. However, there is a very wide range of values between the best and worst performing wards: just 5.2% of children live in poverty in Streetly, but the figure is 46.5% in Blakenall. There is also a marked divide between the wards above and below the Walsall average, with a difference of 7.9 percentage points between the 10th worst performing ward (Bloxwich West) and the 11th (Willenhall North).

While Walsall overall compares unfavourably to the national average, 7 of its wards have levels of child poverty below that of England: Short Heath, Aldridge North & Walsall Wood, Pelsall, Paddock, Aldridge Central & South, Pheasey Park Farm and Streetly.

Child Poverty at Walsall Neighbourhood Level

Figures for children in low income families are provided by HMRC down to Lower-level Super Output Area (LSOA). There are 169 of these LSOAs in Walsall, each containing an average population of around 1,500, and therefore it is an ideal geography for examining issues at the neighbourhood level.

The map in figure 3 (see over page) demonstrates that there is even more variation in child poverty at the neighbourhood level than there is at ward level. Even in a ward with above average child poverty – such as St Matthew's with 31.5% – at LSOA level the range is from just 8.0% in the Calderfields area right up to 47.6% in Caldmore North: neighbourhoods that are within less than a mile of one another.

There are 9 neighbourhoods in the borough where over half of all children under 16 live in poverty. These are highlighted in white on the map in figure 3, and fall predominantly in the Bloxwich East, Birchills Leamore and Blakenall Wards. The worst performing neighbourhood is the Blakenall Heath East area (LSOA Walsall 012D) where 59.0% of under 16s live in low income households.

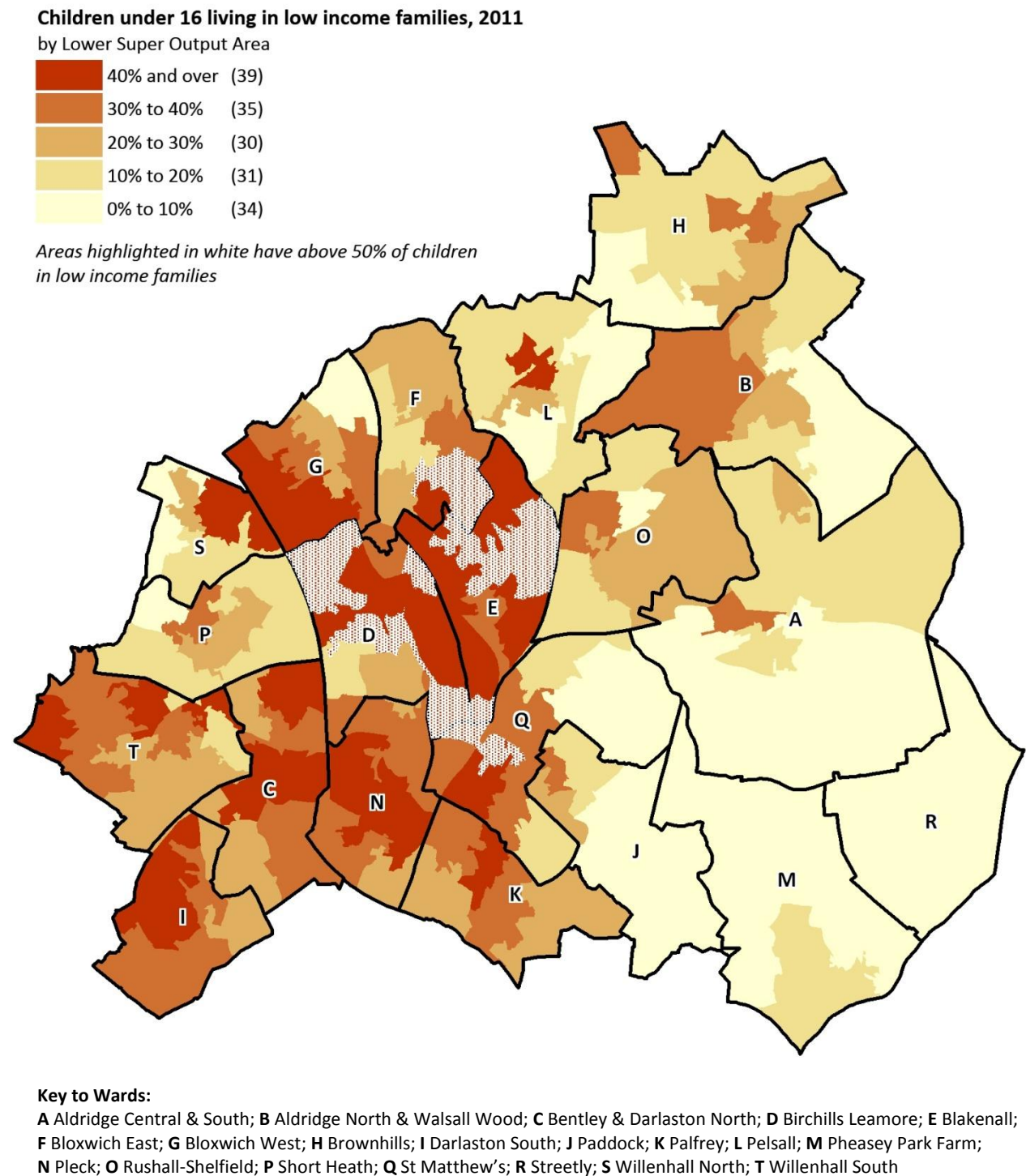
Conversely, the Blackwood North area of Streetly ward, and Turnberry East area of Bloxwich West ward each have no recorded child poverty (5 children or fewer). And while 39 of Walsall's LSOAs have child poverty levels above 40%, there are 34 LSOAs with levels below 10%.

Links

HMRC, Personal tax credits: related statistics - Children in Low-Income Families Local Measure <http://www.hmrc.gov.uk/statistics/child-poverty-stats.htm>

DWP, Households Below Annual Income (HBAI) Statistics
<https://www.gov.uk/government/publications/households-below-average-income-hbai-199495-to-201112>

Figure 3: Children under 16 living in low-income families* by Walsall LSOA, 2011



Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office.
 © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings.
 © Crown copyright and database rights 2014 Ordnance Survey 100019529

**Children in families in receipt of Child Tax Credits (<60% median income) or Income Support/Jobseeker's Allowance*

Priorities for action:

Walsall's Child Poverty Strategy is based on a thorough needs analysis. The Child Poverty Strategy priority actions and CYP Plan are:

- *Reducing the impact of child poverty (Children & Young People Plan Priority 8)*
- *Mitigate impact by income maximisation, money advice and tackling debt*
- *Increase wage levels with the aim of raising household incomes over the 'poverty threshold'*
- *Reduce the number of adults with no qualifications by promoting educational attainment and skills from the early years onwards*
- *Decrease the number of local parents classed as unemployed*
- *Increase the number of jobs for local people*
- *Narrow the educational attainment gap between disadvantaged pupils and their peers*
- *Build family and children's resilience and enhance parenting skills*
- *Increase aspiration of parents and children and young people*

Report author: Elizabeth Connolly, Economic Intelligence Manager

Last Updated: May 2014