

1st November 2021

Agenda Item: 7

REPORT OF THE SERVICE DIRECTOR, COMMISSIONING AND RESOURCES

CHILD POVERTY AND THE IMPACT OF COVID-19

Purpose of the Report

1. To share the findings of the recent review of the impact of Covid-19 on child and family poverty in Nottinghamshire and request that the subsequent actions be allocated to the 'Improving Life Chances for Children and Families Partnership'.
2. To seek approval to allocate £2.3 million of the new Household Support Fund for the provision of vouchers to children and young people eligible for Free School Meals for October half term, the Christmas holidays and February half term.
3. To seek approval for the transfer of responsibility for the remainder of the Household Support Grant not distributed as a result of the recommendations in this report to the relevant Committee, subject to continued oversight by Children and Young People's Committee on any decisions involving funding for children and young people. Such oversight to be exercised by the Chairman of Children and Young People's Committee or their nominee from time to time.

Information

4. The report stemmed from a request at Children and Young People's Committee to provide an update in relation to child poverty and the impact of Covid-19 on outcomes for children and families previously identified as experiencing poverty. This follows on from the report presented to Committee in June 2021 on child poverty levels in the County which also reviewed the local action plan which aims to address child poverty.
5. As described at the Children and Young People's Committee in June 2021, the impact of Covid-19 on child poverty levels is not yet known because of the time lag of when low income families data is published. The latest data available is from 2018/19, prior to the pandemic, however there is have locally held data which can be used as proxy indicators.

The Impact of Covid-19 on Income levels

6. Child Poverty data cannot evidence the trends in relation to the pandemic although it is understood nationally that child poverty levels have increased since the pandemic started

in March 2020. However, there are some local measures which have been suggested as a proxy indicators of child poverty so are considered within this report.

7. **Free School Meals¹ (FSM)** have been a high-profile issue during the pandemic. Children are eligible for FSM if their parents/carers claim certain welfare benefits including Universal Credit and other legacy benefits.
8. Nottinghamshire School Census data has identified that the number of children claiming FSM in April 2020 was 19,783 compared with 23,649 in April 2021, showing a 19.5% increase. It is unclear however if these families were eligible for FSM prior to the pandemic and chose not to claim previously. Updated data is due during the Autumn.
9. Between October 2020 and January 2021, the take up of Free School Meals increased by 1,205 children overall, rising from 18.4% of primary school children and 17.6% of secondary school children in October 2020, to 19.8% of primary and 18.2% of secondary children three months later. Five years previously the rate was 12.4% for both primary and secondary children.
10. **2-year olds from low income families²** are eligible for 15 hours of funded early education per week. The funding is available from the Department for Work and Pensions (DWP) and eligibility is based on the welfare entitlements a family claim. Each term the DWP provides local authorities with the details of eligible 2 year olds so that they can be approached and supported to access childcare.
11. DWP data shows that in November 2019, there were 2,501 eligible 2 year olds compared with 2,547 in November 2020, and 2,478 in April 2021. This data does not show any trend relating to Covid. In Summer 2021 there were 2,484 children eligible with 1,857 taking up their funded place – a rate of almost 75%.
12. **Early Years Pupil Premium** is a top up payment made to early years settings who provide childcare places for 3 and 4 year olds whose families are accessing certain welfare benefits. The number of eligible children increased by 20% from Spring 2020 to Spring 2021 with the highest increase in Mansfield (32%). Further exploration of this data will be useful as this increase has not been reflected in the 2 year old data.
13. **School Pupil Premium** data is also a local indicator of the changing level of need for children and families. This top up fund is awarded to schools to provide additional support for children from low income groups to narrow the educational attainment gap. From January 2019 to January 2020, the numbers of eligible children and young people were fairly stable with 23,951 children (21.9% of the school population) in January 2019, compared with 23,849 (21.5%) the following January. The trend over the last five years has been stable, however data for January 2021 has yet to be published and it is anticipated that the number of children eligible for Pupil Premium will increase due to the pandemic.
14. We cannot conclude from this data that levels of child poverty have increased in Nottinghamshire since the latest published data of 2018/19, or since the Covid-19 pandemic began; but we can say that more families are claiming entitlements such as FSM. Further

¹ [Free school meals and milk | Nottinghamshire County Council](#)

² [Funded childcare places for two-year-olds | Nottinghamshire County Council](#)

work to analyse data with statistical and regional neighbouring local authorities will be useful.

15. **Young people aged 16-17 who are Not in Education, Training and Employment (NEET)** are a priority group for many organisations and services including schools as they are at risk of longer-term economic inactivity. In 2020/21 the proportion of young people who were NEET in Nottinghamshire was 1.6% compared with the England average of 2.7%. This proportion has decreased in Nottinghamshire from 1.8% in 2019/20 compared with 2.6% in England.
16. The coronavirus outbreak has particularly impacted on the labour market status of young people, with a large fall in employment and a rise in unemployment amongst 16-24 year olds. Data for Nottinghamshire is not yet available, so we are unable to confirm the impact on local young people. Many of the initiatives that have been put in place in response to the outbreak have been targeted at young people. Some of the policies in place that aim to reduce the number of people who are NEET include the kickstart scheme, further incentives for employers to take on apprentices and trainees, expanded job support for young jobseekers and funding for selected level 2 and 3 qualifications for school or college leavers.
17. **Employment data** - according to the Office of National Statistics (ONS) bulletin in April 2021, nationally 56,000 fewer people were in pay rolled employment in March 2021 when compared with February 2021. Locally, all districts, except for Newark and Sherwood, show a reduction in the employment rate for 16 – 64 year olds in 2020, compared with 2019.
18. The UK **unemployment rate** was estimated at 4.9%, 0.9 percentage points higher than a year earlier. Locally all districts showed an increase in the unemployment rate in 2020, compared with 2019 with the largest increase in Mansfield.
19. **Universal Credit** claimants from March 2020 to March 2021 have increased in the County, corresponding to the increase in the unemployment rate and the move from legacy benefits over to Universal Credit. Claimants in Nottinghamshire have doubled since 2020 from 12,985 to 24,795. We cannot identify any changes specifically for families from the published data, however.

National Research and Reports

20. Child Poverty data cannot evidence the trends in relation to the pandemic although it is understood nationally that child poverty levels have increased since the pandemic started and outcomes for many children, young people and families have deteriorated.
21. A summary of some of the national literature in relation to the impact of Covid is available at [Child poverty | Nottinghamshire County Council](#).

What do Children and Families say?

22. During Summer 2021 a consultation was promoted over a six-week period on the Council's Citizen Space platform to hear directly from families regarding the impact of the pandemic, particularly in relation to child poverty. This was promoted by all relevant stakeholder organisations and resulted in a total of 86 responses from all seven districts. A detailed report on the findings is available at [Child poverty | Nottinghamshire County Council](#).

23. Key findings of note include:

- a) The majority of the respondents were employed or employed part-time and over 50% had a partner who worked full-time. When asked about income levels, in most cases income increased except for those earning over £50,000.
- b) 74% of parents stated that their child's education and learning had deteriorated because of the pandemic.
- c) 9% of respondents had no access to a computer, laptop, tablet, or Wi-Fi, with 30% stating that they had access 'some of the time'.
- d) 74% of respondents stated that their children missed the social aspects of school and 55% stated that home schooling had a negative impact on their child's emotional wellbeing. 9% of respondents stated that home schooling was beneficial for their children with many stating that the first lockdown was easier for both parents and children compared with the second.
- e) 60% of parents responding to the survey felt their child's emotional health and wellbeing was worse due to the pandemic, with a further 11% being unsure. This compares with 53% of parents who felt their child's physical health and activity levels were worse during the pandemic.
- f) 78% of respondents had not requested extra help or support from organisations or services, showing that many families were self-reliant or were not aware of services available to them, or how to access them.
- g) Even though many of the respondents had found the pandemic challenging, 60% of the parents responding felt that there had been some positive experiences, as illustrated in the selection of comments listed below:
 - *"Working from home has given me a better work/life balance and I have enjoyed more family time. I have also felt that I was better able to keep my family safe."*
 - *"More time to work with the children on things they wanted to learn or find out about. During the first lockdown they actually found that they could love learning again!"*
 - *"I truly believe our resilience was strengthened"*
 - *"I really enjoyed having my children at home, we had lots of time together which we wouldn't normally get".*

What do Stakeholders say?

24. To coincide with the survey for families, the Council also consulted with local organisations and services who provide support to children, young people, and families. A total of 26 organisations or services responded, including 6 from within the Council and 7 from the education sector. A detailed report on the findings is available at [Child poverty | Nottinghamshire County Council](#).

- a) 58% of the respondents saw an increase in the number of families being referred to their service, with 84% reporting that the complexity of the issues these families faced were more challenging than pre-pandemic.
- b) 58% of the respondents stated that the families they were working with were struggling financially.
- c) 93% reported that mental health and emotional wellbeing was a key issue for the families their organisations were supporting, compared to little change linked to physical health issues.
- d) 84% of the organisations had increased their use of phone calls to provide support, with 61% increasing their online offer.

25. Organisations told us:

- *“Most of the parents on my case load have emotional health and wellbeing difficulties - stress levels have been heightened in the prolonged Covid - lockdowns.”*
- *“Families normally budget to their income. When the income stream was reduced or stopped people struggled to pay bills and buy essentials such as food and fuel. Even when normal work was able to be resumed debts had accrued.”*
- *“Lack of income due to reduced income or loss of jobs. Families struggling due to children being at home more resulting in increased food costs. This was particularly shown more in those families who did not qualify for Free School Meals.”*

Support and Funding provided to Children and Families

26. There have been a range of national measures created to reduce the impact of Covid on both the economy and on households who may be struggling financially because of Covid. The table below includes some of the schemes that have been made available.

National schemes
Business grants and loans
Business Rate relief
Coronavirus Emergency Funding for Local Government - MHCLG
Covid Local Support Grant - DWP
Covid Winter Grant Scheme - DWP
Funding for Food Banks (DEFRA)
Holiday Activities and Food (HAF) Programme - DfE
Household Support Grant - DWP
Humanitarian Action funding to LAs
Job Retention Scheme (Furlough) – DWP
Kickstart Scheme - DWP
Local Council Tax Support Grant
Self-employed Grants – DWP
Uplift of Healthy Start Voucher - DH
Uplift of Universal Credit - DWP

Household Support Grant

27. In October 2021, the Department for Work and Pensions launched the Household Support Grant³ which replaced both the Covid Winter Grant Scheme and Covid Local Support Grant.
28. Nottinghamshire County Council has received £5.6 million to deliver the scheme until 31st March 2022. At least 50% of the funding is for vulnerable households with children (under 19 years). The remainder of the funding (up to 50%) is available for vulnerable households without children (including individuals). Due to the wider age groups involved, it is proposed that future decision making regarding the remainder of the grant not distributed as a result of the recommendations in this report will be made by the most appropriate Committee rather than the Children and Young People's Committee which has been responsible for the two previous grant schemes. Children and Young People's Committee will be consulted on all decisions to distribute grant funding that involves children and young people.
29. As with preceding schemes, a key intention is to provide vouchers for children and young people eligible for free school meals during the school holidays. Guidance was issued by the Department for Work and Pensions on 7th October, so an urgent decision was needed to enable the distribution of vouchers for half-term which started on 18th October 2021. This left only six working days to notify educational establishments and to set up processes with colleagues in finance, procurement, the Customer Service Centre, and Communications.
30. This report asks Committee to support the decision made for October half-term to provide vouchers, and to approve the proposal to also provide this support for the Christmas holidays and February half-term to the value of approximately £2.3 million to reach up to 27,500 children.

Other Options Considered

31. No other options have been considered.

Reasons for Recommendations

32. As the obstacles to social mobility are multi-faceted and impact on so many areas of children and young people's lives, their life chances can only be improved by taking a multi-agency approach. The Improving Life Chances for Children and Families Partnership will use the learning from the recent consultation and literature review to shape future service delivery and priorities.
33. Children living in low income families are at risk of a range of poor outcomes and it is nationally recognised that the Covid pandemic has had a negative impact on outcomes of children and families from a range of socio-economic groups, not just those in low income households. The report highlights feedback from families not eligible for welfare benefits, as they told us that they struggled financially through income reductions which were often linked to working parents not being eligible for support such as business grants or having to isolate at home.

³ [Government launches £500m support for vulnerable households over winter - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-launches-500m-support-for-vulnerable-households-over-winter)

34. Tackling food insecurity is a key priority of the new Household Support Grant and Nottinghamshire County Council has invested in the provision of free school meal support previously. The Grant will be overseen by the most appropriate Committee; however, the Children and Young People's Committee is asked to approve the intention to provide support during the school holidays.
35. A decision on use of the Household Support Grant for October half-term was made by Officers and the Lead Member on 7th October when the draft Department for Work and Pensions Grant conditions and guidance were published. As stated in **paragraph 29**, a swift decision was needed as this only allowed six working days to get vouchers and funds allocated and disseminated to enable educational establishments to inform parents and to distribute vouchers.
36. When previous grant schemes have been discussed at Committee there has been cross party support for the provision of vouchers for children eligible for free school meals during the holidays, having provided this support since October half-term 2020. Officers felt that this emergency decision would be supported and the desire to feed children from low income groups during the school holidays by Committee had previously been evidenced.

Statutory and Policy Implications

37. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

38. There is currently no direct funding for work to tackle child poverty and improve life chances; work relies on core funding streams from across partners with the exception of grant schemes made available by Government due to the pandemic.
39. The proposed funding breakdown for the remaining Household Support Grant not distributed as a result of the recommendations in this report will be approved at the most appropriate Committee once delivery plans are firmed up.

Safeguarding of Children and Adults at Risk Implications

40. National research indicates that there is a link between poverty and child abuse and neglect, which is why it is important to tackle child poverty. Safeguarding referrals have increased following lock downs; however, it is currently unclear if these referrals are mostly from low income groups.

Implications for Service Users

41. The impact of Covid and subsequent lock downs had an overall negative effect on children and families as is evidenced in the literature review and survey findings⁴. Feedback found that often it is families who are not claiming welfare benefits who say that they struggled more with living costs exceeding income levels. The deteriorating mental health of children and parents however is the largest concern of local families and professionals.
42. A phased approach has been taken to recovery planning by most services in line with public health guidance. However, this has resulted in some families feeling that recovery was not at the pace they would have wished for. Services have worked hard to ensure families receive regularly updated information in what at times felt like a constantly changing climate.
43. The Household Support Grant and other support will target families who are struggling financially, this will include those out of work but also those who are working but are considered 'just about managing.'

Implications for Sustainability and the Environment

44. Economic regeneration is key to improving life chances, as access to sustained, well paid employment is still recognised as the key route out of poverty.

RECOMMENDATIONS

That Committee:

- 1) notes the findings of the recent review of the impact of Covid-19 on child and family poverty in Nottinghamshire and tasks the Improving Life Chances for Children and Families Partnership to consider and address the issues identified in this report.
- 2) approves the proposal to allocate approximately £2.3 million of the new Household Support Fund for the provision of vouchers to children and young people eligible for free school meals for October half-term, the Christmas holidays and February half-term 2022.
- 3) approves the transfer of responsibility for the remainder of the Household Support Grant not distributed as a result of the recommendations in this report to the relevant Committee, subject to continued oversight by Children and Young People's Committee on any decisions involving funding for children and young people. Such oversight to be exercised by the Chairman of Children and Young People's Committee or their nominee from time to time.

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⁴ [Child poverty | Nottinghamshire County Council](#)

Constitutional Comments (LPW 20/10/21)

45. The recommendations fall within the remit of the Children and Young People's Committee by virtue of its terms of reference.

Financial Comments (CDS 20/10/21)

46. There is currently no direct funding for work to tackle child poverty and improve life chances; work relies on core funding streams from across partners with the exception of grant schemes made available by Government due to the pandemic.
47. However, given that the findings are primarily for noting, there are no financial implications directly arising.
48. £2.3 million of the new Household Support Fund would be used for the provision of vouchers to children and young people eligible for free school meals for October half-term, the Christmas holidays and February half-term 2022. The proposed funding breakdown for the remaining £3.3 million Household Support Grant will be approved at the most appropriate Committee once delivery plans are firmed up.

Background Papers and Published Documents

[Child Poverty Update – report to Children and Young People's Committee on 21 June 2021](#)

[Covid Winter Grant Scheme and Covid Local Support Grant Final Report - Children and Young People's Committee on 26 July 2021](#)

[The Impact of Covid on Children, Young People and Families in Nottinghamshire – Literature Review. October 2021](#)

[The Impact of Covid on Children, Young People and Families in Nottinghamshire –Results from survey with families. October 2021](#)

[The Impact of Covid on Children, Young People and Families in Nottinghamshire – results from survey with local organisations and professionals. October 2021](#)

Electoral Divisions and Members Affected

All.

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