

SECTION 1. WHAT ACTION IS THE WELSH GOVERNMENT CONSIDERING AND WHY?

The Welsh Government is committed to working with partners to drive change in tackling poverty and inequality to make a positive impact on the lives of children, young people and their families in Wales. To support this, in 2010, the Senedd Cymru made a law that means Welsh Ministers must have a Child Poverty Strategy in place for Wales which sets out the Welsh Government's Objectives in contributing to the eradication of child poverty. Tackling inequality will continue to underpin our child poverty objectives, the actions we take and the decisions we make to achieve them.

The current Child Poverty Strategy for Wales has been in place since 2015. Over the past three years families have had extra pressures because of the Covid 19 pandemic and the cost of living crisis. There is [evidence](#) to suggest that low income families have been particularly harshly impacted by the cost of living crisis. At the same time the Welsh Government's budget has been under pressure and we have had to prioritise what we do and how we spend money to support the immediate needs of people.

We have retained the definition of child poverty agreed in 2011. This reflects the levers we have at our disposal and our desire not only to contribute to the eradication of poverty but to eradicating the effects of poverty on children and young people:

“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) which are taken for granted by others in their society”.

The key indicator of relative child poverty is the percentage of children living in households below 60% of the median UK household income (after housing costs). The statistics are stark, the most recent [evidence](#) suggests that 28% of children were living in relative income poverty in the 3 financial years ending 2020 to 2022.

[Socio-economic disadvantage](#) is highly intersectional. This means deprivation interacts with protected characteristics, and certain people and communities experience worse outcomes as a result of barriers they face because of their protected characteristic in combination with socio-economic disadvantage. The intersectionality between deprivation and other characteristics can be thought of as a web, where different elements inter-connect, compounding their effects.

The [evidence](#) tells us that certain household characteristics, including protected characteristics, increase the chances of children experiencing poverty and disadvantage:

- Children living in a household where no adult is working remain at higher risk of relative income poverty (43%) compared to children living in a working household (26%).

- 81% of children who were living in relative income poverty lived in working households.
- 31% of children who lived in a family where there was a disabled person were in relative income poverty compared with 26% of those in families where no-one was disabled.
- Lone parent households were most likely to be in relative income poverty (at 38%). 88% of [lone parents](#) with dependent children are women.
- [Evidence](#) finds there was a 40% of people whose head of household is Black, Asian or minority ethnic living in relative income poverty. This compares to a 22% likelihood for those whose head of household comes from a white ethnic group.
- Roma, Gypsy and Traveller children experience high levels of disadvantage, [Research](#) suggests nearly a quarter of Roma, Gypsy and Traveller children in England and Wales aged under 19 are deprived on 3 or more dimensions, compared to just two per cent of other children.

The Welsh Government recognises that poverty can impact negatively on children and young people's day to day lives and on their wellbeing throughout life.

We know that poverty has a direct impact on health inequalities, educational attainment, access to decent housing, access to play, leisure and sporting opportunities and the opportunity to enjoy natural resources, cultural activities and celebrate heritage.

- Children living in poverty are more likely to have poorer health outcomes and experience [health inequalities](#) including low birth weight, poor physical health, and mental health problems.
- An [educational](#) attainment gap at GCSE level remains, with learners eligible for free school meals much less likely to achieve top grades than other students.
- [Evidence](#) links poverty to risk of child abuse and neglect, reflecting the relationship between domestic abuse, poor mental health and substance use, increased risk of harm to children and increased risk of family poverty.
- This also means that children who enter care will have often experienced [poverty](#), may be placed in [Kinship Care](#) arrangements where household income is low and [care leavers](#) may experience financial hardship as they make the transition into adulthood.
- Where a parent or young person is in contact with criminal justice systems, especially if they are imprisoned, this has a direct [impact](#) on family finances and opportunities to move out of poverty. At the same time while the [relationship](#) between poverty and offending is not linear, issues like poor mental health, substance misuse and lower educational engagement are strongly linked to risk of involvement with the criminal justice system, and to poverty.
- [Rural](#) communities can face particular challenges associated with distance from key services, limited job opportunities and low incomes, higher costs of living (sometimes referred to as the 'rural premium'), public transport availability, social isolation, and restricted housing stock.

This IIA has been drafted in tandem with the development of the new Child Poverty Strategy and parts 1, 8 and the Children Rights Impact Assessment were included within the formal consultation exercise.

The Well-being of Future Generations (Wales) Act is about improving the social, economic, environmental, and cultural well-being of Wales. It is there to make public bodies think more about the long term work better with people and communities, and each other with a view to preventing problems and take a more joined-up approach.

Children's rights are enshrined in Welsh law under Rights of Children and Young Persons (Wales) Measure 2011 - underlining Wales' commitment to children's rights and the UNCRC.

The measure places a duty on Ministers to have due regard to the UNCRC when developing or reviewing legislation and policy. This means that Ministers must give the appropriate weight to the requirements of the UNCRC, balancing them against all the other factors that are relevant to the decision in question.

We have reviewed evidence from the Wales Centre for Public Policy, from Audit Wales, from the Children's Commissioner for Wales, evidence from engagement with children, young people and families with lived experience of poverty, formal consultation responses from the general public and from organisations like Children in Wales and the Bevan Foundation.

The Child Poverty Strategy for Wales has been co-constructed with the children and young people, families and organisations who have given their time to help us understand what will make the greatest difference to them.

Our vision is for a Wales:

“That enables children and young people to access their rights, have good wellbeing and fulfil their potential no matter what their background or circumstances (including their socio-economic circumstances).”

The purpose of the Child Poverty Strategy is to look to, and plan for, the long term and to set the objectives for contributing towards the eradication of child poverty and the eradication of the worst effects of being in poverty in Wales for the next decade or more.

This looks beyond standard income measures and seeks to ensure that regardless of a child or young person's financial circumstances they have the same opportunities, they can access the same services and they have the same access to their rights as their peers.

We have developed 5 long-term, high-level objectives to guide our efforts across the Welsh Government under current and future Programmes of Government.

Objective 1: To reduce costs and maximise the incomes of families.

Objective 2: To create pathways out of poverty so that children and young people and their families have opportunities to realise their potential.

Objective 3: To support child and family wellbeing and make sure that work across the Welsh Government delivers for children living in poverty, including those with protected characteristics, so that they can enjoy their rights and have better outcomes.

Objective 4: To ensure children, young people and their families are treated with dignity and respect by the people and services who interact with and support them and to challenge the stigma of poverty.

Objective 5: To ensure that effective cross-government working at the national level enables strong collaboration at the regional and local level.

We have identified 5 priorities where we will redouble our efforts to deliver against the 5 objectives:

PRIORITY 1: Entitlement – putting money in people’s pockets.

PRIORITY 2: Creating a Fair Work nation – leaving no one behind.

PRIORITY 3: Building Communities – accessible, joined up services to meet community needs.

PRIORITY 4: Inclusion – kind, compassionate and non-stigmatising services.

PRIORITY 5: Enabling collaboration – at the regional and local level.

The Strategy explains where we will focus our work under these priorities to deliver against our objectives.

A full 12-week consultation took place on the Child Poverty Strategy, closing on 11th September 2023. We received a total of 155 consultation responses and the evidence from the consultation has been taken into account in producing a final Strategy.

We want to work with our partners towards a Wales where:

- all children irrespective of their family income can access their rights under the UNCRC, without discrimination.
- adults with dependent children and young people have access to education, training and fair work, can access their full financial entitlements in times of need and are not financially disadvantaged because of discrimination or a lack of support to overcome challenging circumstances.

- discrimination against people with protected characteristics and disadvantage as a result of personal circumstances is challenged so that there is equity of opportunity.

Long term

The revised Strategy should not be a plan for just the Welsh Government action, but a plan for all of Wales. This recognises the contribution that we all must make to deliver the change needed for children and families experiencing poverty. It will help us to create a Wales that we all want to live in, now and in the future.

Lots of the changes that can put more money into people's pockets, like welfare benefits, taxes, and public spending levels, sit with the UK Government. But there are still a lot of things that the Welsh Government and public services in Wales can do to improve the lives of children, and their families in low-income households and to reduce poverty in the longer term. Especially when we all work together.

The third sector (voluntary organisations and charities) provides critical support to children, young people, families, and communities in Wales and has a key role in tackling child poverty. The private sector (businesses) can also be key for supporting pathways out of poverty through their direct activity as employers and working in partnership through charitable foundations with small and local charities, people and communities.

The Strategy explains what we plan to do, why we plan to do it and sets out our proposals on how we will know if we are achieving what we want to achieve over the long term.

While we must meet the immediate and critical needs of children, young people and families on low incomes during the cost of living crisis we also need to plan for long term change for this and future generations of children and young people.

Prevention

Actively embedding the Strategy across all sectors in Wales should impact positively in decreasing levels of poverty overall, and poor social, economic and health outcomes stemming from poverty.

The recent [survey](#) undertaken by Children in Wales shows that the impact of living in poverty on a child's health is considerable. Tiredness, hunger, additional stress and deteriorating mental health were listed as some of the main issues in terms of education.

The Strategy will aim to treat the causes of poverty, within the powers we have available to us. As concluded by WCPP, the strategy must focus on tackling the underlying structural drivers of poverty. We must also ensure that work is taken forward to mitigate the impact of poverty on children and young people so that they

can enjoy good wellbeing outcomes and access their rights, whatever the socio-economic circumstances of their family.

Integration

Our current Programme for Government commitments are being shaped and delivered with the need to combat poverty and inequality as a central driver. The message from people and organisations that work with and speak out on behalf of children and families in poverty is clear, we need to have greater integration across Welsh Government policies, programmes and investment. People told us that further strengthening the integration of cross-government work will in turn support stronger collaboration at the regional and local levels, so that planning and delivery are more efficient and effective.

We know that more streamlined and focussed budget decisions across Welsh Government are needed to support cross-government working on implementation of the Well-being of Future Generations (Wales) Act 2015. We publish a [Budget Improvement Plan](#) on an annual basis. The Plan outlines our vision, including short and medium-term ambitions over the next 5 years, to improve the budget process in the Welsh Government using the 2015 Act and the five ways of working to drive continuous improvement. We have established a [Budget Improvement and Impact Advisory Group](#) to provide advice, feedback and evidence from an equalities and inclusion perspective.

The intention will be for this Strategy to inform any future policy development by giving due regard under the Rights of the Child Measure 2011, it is a statutory requirement to consider children's rights in all we do.

Collaboration

Some work, like tackling child poverty, is so complex that it can only be done if all Ministers work together, as one Welsh Government, and in partnership with public bodies and the third sector.

To drive the change that is needed and have a tangible impact on child poverty, it is essential that the Welsh Government, local government and other public services in Wales work together to improve the lives of children and their families who are in poor households and to reduce poverty in the longer term. The third sector (voluntary organisations and charities) and faith communities (religious organisations and groups) provide critical support to children, young people, families and communities in Wales and has a key role in tackling child poverty. The private sector (businesses) can also be key for supporting pathways out of poverty through their direct activity as employers and working in partnership with small and local charities, people and communities.

People working in public bodies and the third sector who participated in our pre-consultation engagement have told us we need stronger coordination and collaboration between organisations working at the local and regional levels on tackling poverty including child poverty and that we need to use our powers to bring partners together and focus action on where it is needed the most.

At the regional level, [Public Services Boards](#) (PSBs), [Regional Partnership Boards](#) (RPBs) and [Corporate Joint Committees](#) (CJCs) bring together local and regional partners to promote well-being through collaboration in a more effective way.

As part of the Welsh Government's current Programme for Government, we have committed to reducing the administrative burden on local authorities (LAs), to allow them to get on with their vitally important work and not to be hampered by any unnecessary bureaucracy.

The Welsh Government Grant Centre of Excellence has introduced a longer duration of funding and benchmarking process, to allow longer duration of funding/multi-year funding where appropriate.

The [Socio-Economic Duty](#) came into force in Wales on 31 March 2021. It improves decision making and helps those who are socio-economically disadvantaged. The Socio-economic Duty gives us an opportunity to do things differently in Wales. It puts tackling inequality at the heart of decision-making and will build on the good work public bodies are already doing.

Involvement

Welsh Ministers were clear from the start that the strategy should be co-constructed with children, young people and families living in poverty and with the organisations that support them.

So that children, young people and families with lived experience could be involved in telling us what we need to change through this strategy we have worked with our partners to fund engagement events in the communities where people live. This has included engagement activity delivered by organisations that people know and trust. This was especially important in relation to engaging people with protected characteristics, including Black, Asian and minority ethnic people, disabled and neurodiverse people, LGBTQ+ people and women receiving support because of gendered issues.

We provided funding via commissions or small grants to enable pre-consultation engagement took place. We commissioned Children in Wales, save the Children, Voices from Care, Ethnic Minorities and Youth Support Team Wales (EYST), Race Council Cymru and Women Connect First to undertake this work. We also awarded 15 small grants to organisations to deliver engagement sessions with children, young people and families with protected characteristics. In addition, the Wales Council for Voluntary Action (WCVA) administered small grants to local Councils for Voluntary Services to carry out engagement on our behalf. This work was to undertake engagement sessions with children, young people, families, community members and organisations using a 'Framework for Discussion' to ask people what would make the biggest difference to children, young people and families in poverty.

The engagement activity that was undertaken on our behalf involved engagement with 3,272 people, 1,953 of these people engaged via work targeted at those with protected characteristics. Of the total , 1,402 where children and young people. The evidence gathered through this process informed our decisions about what to include in the Strategy.

The Welsh Government also held engagement events for services who support children, young people and families with lived experience of poverty and organisations that speak out on their behalf. Through these events and engagement by our partners we heard evidence from 222 representatives of services and organisations. This included services and organisations working in early years, childcare, education, health, local authorities

We have captured the evidence gathered through our pre-consultation engagement and published it in the report '*What we have heard*'. There is also information about our engagement with children and young people in our [Rights of children and young persons: compliance report \(October 2020 to March 2023\)](#) (see Case Study 4).

Officials in the Tackling Poverty and Supporting Families Division set out proposals regarding the development of the Revised strategy in a submission to the Minister for Social Justice and Chief Whip.

The Minister agreed to the overall approach at the end of May 2023. The Welsh Government Cabinet approved the Strategy for consultation on 5 June 2023.

A full 12-week consultation took place on the Child Poverty Strategy closing on 11th September 2023. We received a total of 155 consultation responses. A summary of consultation responses is available. Of those who answered questions on whether they agreed that Objectives 1-5 should be an Objective of the strategy:

- 92% agreed with Objective 1
- 94% agreed with Objective 2
- 91% agreed with Objective 3
- 89% agreed with Objective 4
- 93% agreed with Objective 5

Of those who answered questions on whether they agreed that priorities 1-5 should be a priority of the strategy:

- 87% agreed with Priority 1
- 89% agreed with Priority 2
- 88% agreed with Priority 3
- 86% agreed with Priority 4
- 87% agreed with Priority 5

The Welsh Government Cabinet agreed, on 20 November 2023, to the publication of a post-consultation Strategy.

Impact

Arguments for the Strategy far outweigh those against for all the reasons highlighted above. There have been continued calls from Stakeholders, including the Children's Commissioner for Wales, to update the 2015 strategy. Stakeholder engagement has reinforced the request for a strategy that partners can sign up to/join with us to action.

Decisions about tax and public spending at the UK government level have a direct impact on the incomes of households in Wales and the budget available to the

Welsh Government. While we can take action to support parent/carers in accessing all of the entitlements available to them through the UK benefits system and progress work on the Welsh benefits system, there are UK policies currently in place that negatively impact on families with children. That is why Welsh Ministers have consistently called on the UK Government to take further action to, abolish the benefit cap and two child limit, make changes to the Universal Credit deduction policy and increasing the Local Housing Allowance and funding for Discretionary Housing Payments.

The strategy sets the direction for Welsh Government actions to tackle child poverty over the next decade or more and to meet our ambitions for children and young people in Wales, no matter what their circumstances or background. It also provides a framework to maximise the levers we have at our disposal to make our contribution to eradicating child poverty.

The strategy seeks to ensure stronger integration across our national policies, programmes and action plans and to support collaboration at the regional and local levels. This will deliver our ambition to achieve greater equity of experience and outcome for all children and young people.

However, the strategy cannot be considered in isolation and is by no means a stand-alone document. The ambitions set out in the Strategy take into account a number of important legislative duties placed on Welsh Ministers and will influence and inform our policies, plans and programmes across government now and for years to come.

Costs and Savings

As a cross cutting strategy there are many programmes and actions which contribute to and support our activity to prevent poverty and support those living in poverty. During 2022-23 and 2023-24, we have allocated support worth more than £3.3 billion through programmes which go towards helping protect disadvantaged households and support putting money back into families' pockets.

Across the Welsh Government the commitment that tackling poverty and inequality should be a central driver in everything we do has been agreed at Cabinet level.

A small budget is likely to be available for the year 2024-25 to invest in supporting some time limited strategy implementation activity.

We will use the evidence gathered at the co-construction stage to target that money most effectively to make the biggest difference.

SECTION 8. CONCLUSION

8.1 How have people most likely to be affected by the proposal been involved in developing it?

Welsh Ministers were clear from the start that the strategy should be co-constructed with children, young people and families living in poverty and with the organisations that support them.

So that children, young people and families with lived experience could be involved in telling us what we need to change through this strategy we have worked with our partners to fund engagement events in the communities where people live. This has included engagement activity delivered by organisations that people know and trust. This was especially important in relation to engaging people with protected characteristics, including Black, Asian and minority ethnic people, disabled and neurodiverse people, LGBTQ+ people and women receiving support because of gendered issues.

We provided funding via commissions or small grants to enable pre-consultation engagement to take place. We commissioned Children in Wales, Save the Children, Voices from Care, Ethnic Minorities and Youth Support Team Wales (EYST), Race Council Cymru and Women Connect First to undertake this work.

We also awarded 15 small grants to organisations to deliver engagement sessions with children, young people and families with protected characteristics. In addition, the Wales Council for Voluntary Action (WCVA) administered small grants to local Councils for Voluntary Services across Wales to carry out engagement on our behalf.

This work was to undertake engagement sessions with children, young people, families, community members and organisations using a 'Framework for Discussion' to ask people what would make the biggest difference to children, young people and families in poverty.

The engagement activity that was undertaken on our behalf involved engagement with 3,272 people, 1,953 of these people engaged via work targeted at those with protected characteristics. Of the total, 1,402 were children and young people, 1,329 were parent/carers and 319 were grandparents and great grandparents.

The Welsh Government also held engagement events for services who support children, young people and families with lived experience of poverty and organisations that speak out on their behalf. Through these events and engagement by our partners we heard evidence from 222 representatives of services and organisations. This included services and organisations working in early years, childcare, education, health, local authorities and the third sector.

We have captured the evidence gathered through our pre-consultation engagement and published it in the report '*What we have heard*'. The evidence provided through

the pre-consultation engagement with people with lived experience has directly influenced our decisions about the objectives and priorities of the Strategy.

8.2 What are the most significant impacts, positive and negative?

Positive impacts

The strategy sets the direction for Welsh Government actions to tackle child poverty over the next decade or more and to meet our ambitions for children and young people in Wales, no matter what their circumstances or background. It also provides a framework to maximise the levers we have at our disposal to make our contribution to eradicating child poverty.

The strategy seeks to ensure stronger integration across our national policies, programmes and action plans and to support collaboration at the regional and local levels. This will deliver our ambition to achieve greater equity of experience and outcome for all children and young people.

Our vision is for a Wales: “That enables children and young people to access their rights, have good wellbeing and fulfil their potential no matter what their background or circumstances (including their socio-economic circumstances).”

The intended beneficiaries are children, young people and families living in poverty. We know that poverty can impact negatively on children and young people’s opportunities for them to enjoy their rights under the United Nations Convention on the Rights of the Child and that growing up in poverty is associated with lower education, health and social outcomes for them.

We also know that social disadvantage interacts with protected characteristics, and certain people and communities experience worse outcomes as a result of barriers they face because of their protected characteristic in combination with socio-economic disadvantage. That is why our work with partners to tackle child poverty must also consider equality issues, this may not mean doing different things but it many mean doing things differently to respond to the circumstances of those facing discrimination and socio-economic disadvantage.

Children and young people grow up in families and are dependent on adults, so work to support low-income adults will benefit children and young people. The children and young people of today are the parents and carers of tomorrow. Improving outcomes for children and young people will help them to enjoy more financially secure adulthoods and prevent poverty for future generations.

The purpose of the Child Poverty Strategy is to look to, and plan for, the long term and to set the objectives for contributing towards the eradication of child poverty and the eradication of the worst effects of being in poverty in Wales for the next decade or more. Some work, like tackling child poverty, is so complex that it can only be done if all Ministers work together, as one Welsh Government, and in partnership with public bodies and the third sector.

Negative impacts

We do not envisage any negative impacts resulting from the revised Strategy.

The Strategy and its underpinning intent is aimed at directly helping children, young people and their families to live happy, healthy and financially stable lives.

However, work under Objective 5 of the strategy to strengthen integration and enable collaboration will be key to successful implementation with our partners, if we are to have a positive impact on the lives of children, young people and families in poverty now and prevent poverty for future generations.

8.3 In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals;**

We have embedded the five ways of working under the Well-being of Future Generations (Wales) Act, 2015 in this Strategy. These principles are central to delivering our long-term anti-poverty agenda for action, delivered in collaboration with our partners and stakeholders across Wales, with the needs of our communities and those with lived experience of poverty at its core. Achieving the seven well-being goals will, in turn, help to deliver our ambitions on tackling child poverty.

8.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

When the Welsh Government introduced the [Children and Families \(Wales\) Measure, 2010](#) it placed a duty on Welsh Ministers to set child poverty objectives and to report every 3 years on progress towards achieving those objectives.

This strategy has been co-constructed with the children and young people, families and organisations who have given their time to help us understand what will make the greatest difference to them. We are committed to continuing this way of working as we deliver the revised strategy.

The Well-being of Future Generations Act drives better decision making across the Welsh public sector and balances the needs of current and future generations. The [national milestones](#) measure our collective progress as a nation and progress towards these national milestones will help us deliver a more sustainable Wales for current and future generations.

We are progressing work to identify how we can most effectively employ the [Wellbeing of Wales National Indicators](#) to monitor and report on the impact of this strategy in the future. The next Child Poverty Strategy Progress Report will be available in December 2025.