

## Child Poverty Update 2019

### Summary

HMRC children in low income families measure (2016 data) – indicates that child poverty (under 16 year olds) is 18.8% for the Isle of Wight – increasing from 17.8% in 2015 and equating to 3,985 children (and increase of 170 children) and 18.6% of all children (under 20 years) - increasing from 17.4% in 2015 and equating to 4,680 children (an increase of 215 children)

The Housing Below Average Income (HBAI) data applied to local level through End Child Poverty Coalition indicates the Isle of Wight has a level of child poverty (under 20 years old) 18.1% for Before Housing Costs (BHC) a decrease of 1.3% and equates to 5,050 children and 34% After Housing Costs (AHC) equating to 9,555 children and a 2% increase on previous figures.

### Background

Child Poverty is a complex measure - in its broadest sense it defines a range of disadvantage that results in and leads to poverty. These include:

- issues around employment such as worklessness, temporary and low paid jobs, job availability and public transport networks;
- issues around parenting resources such as skills, income, health and substance dependence as well as educational attainment, living conditions and housing

Some groups are more at risk of vulnerability and child poverty these include teenage parents, lone parents, children in care and families with a disabled parent or child.

The Child Poverty Act 2010 outlines four measures of child poverty:

- **Relative low income:** The proportion of children living in households where income is less than 60 per cent of median household income BHC (Before Housing Costs) (the target is less than 10 per cent by 2020/21);
- **Absolute low income:** The proportion of children living in households where income is less than 60 per cent of median household income BHC in 2010/11 adjusted for prices (the target is less than 5 per cent by 2020/21);
- **Combined low income and material deprivation:** The proportion of children who are in material deprivation and live in households where income is less than 70 per cent of median household income BHC (the target is less than 5 per cent by 2020/21).

- **Persistent poverty:** The proportion of children living in households where income is less than 60 per cent of median household income BHC, for at least three out of the last four years (the target is less than 7 per cent by 2020/21).

Main data sources around these measures include the The Department of Work and pensions 'Children in Low-Income Families Local Measure' which measures the number of children living in low income families (in receipt of benefits and whose reported income is less than 60 per cent of the median income) <https://www.gov.uk/government/statistics/personal-tax-credits-children-in-low-income-families-local-measure-2016-snapshot-as-at-31-august-2016>. The most recent data for this is from 2016. 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.

The Households Below Average Income (HBAI) publication provides the definitive national measure of relative child poverty as set out in the Child Poverty Act 2010. HBAI is based on data from the Family Resources Survey meaning that the sample sizes are insufficient for useful analysis at the local level. See: <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>. The most recent data is from 2017/18. This presents data before and after housing costs have been deducted and therefore, it is argued, shows a more real picture of families living in poverty.

The End Child Poverty Group use the HBAI figures and produce local level data. They have recently updated their methods which they believe give a more reliable estimate. The technique considers how known features of local areas, such as the unemployment rate and the number of families on tax credits, are associated with the probability that people taking part in income surveys in those areas will be in poverty. See: <http://www.endchildpoverty.org.uk/wp-content/uploads/2019/05/Local-child-poverty-indicators-method-paper-April-2019.pdf> for more information on changes to the methodology.

### **HMRC – Children in Low Income Families Measure:**

#### **National**

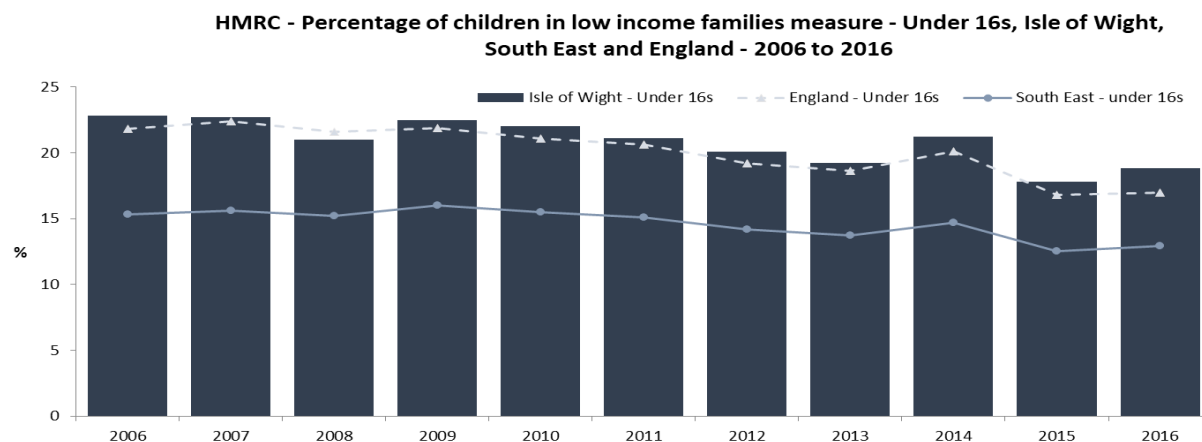
National rates of child poverty using the The Department of Work and pensions 'Children in Low-Income Families Local Measure' indicate that figures were on a general decreasing trend until 2014 where figures spiked both locally and nationally. The HMRC interpret this increase in child poverty figures as related to the low-income threshold which rose from £218 in 2013 to £253 in 2014. As a result more families came under the threshold. The HMRC

attribute the rise in this threshold to an increase in income from employment for families around the 60% of the median line <sup>1</sup>. 2015 saw a decrease both locally and nationally however, 2016 has seen an increase again with the Isle of Wight figure increasing from 17.8% to 18.8%- statistically higher than the England (17.0%) and the South East (12.9%) average. The HMRC attribute this increase to a combination of an increase of families earning less than the 60% median income with some equalled out by a decline in families in receipt of out-of-work benefits. This would seem to suggest an increase in in-work poverty:

**Figure 1: HMRC - Percentage of Under 16 year olds in low income families 2006 to 2016**

Area	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Isle of Wight	22.8	22.7	21	22.5	22	21.1	20.1	19.2	21.2	17.8	18.8
South East	15.3	15.6	15.2	16	15.5	15.1	14.2	13.7	14.7	12.5	12.9
England	21.8	22.4	21.6	21.9	21.1	20.6	19.2	18.6	20.1	16.8	17

**Figure 2: HMRC - Percentage of Under 16 year olds in low income families 2006 to 2016, Isle of Wight, South East and England**



<sup>1</sup> HMRC, 2014 Commentary accompanying the Children in Low-income Families Measure  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/605062/14-15\\_Local\\_Measure\\_Commentary.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/605062/14-15_Local_Measure_Commentary.pdf)

## Local

The most recent data for children in low income families for the Isle of Wight sees 18.8% of under 16's in poverty and 18.6% of all children. This equates to 3,985 under 16's and 4,680 children (up to age 20) an increase of 170 and 215 children respectively.

Nearly two-thirds of children in low income families (64.3%) are from lone parent families; similar to the England average (65.3%).

Nearly two-thirds of children in poverty are aged 10 and under (61.9%); a pattern also seen nationally.

The Lower Super Output Areas (LSOA) <sup>2</sup> with the highest levels of child poverty using the HMRC children in low income families measure are:

**Figure 3: LSOA with highest levels of child poverty (under 16s) HMRC measure**

LSOA	Under 16
St Johns West A	43.6%
Ventnor West B	37.8%
Pan B	34.9%
Pan A	34.4%
Mount Joy B	32.9%
Carisbrooke West B	29.8%
Shalfleet and Yarmouth A	29.0%
Ryde South West A	28.9%
Ryde North East B	28.4%
Shanklin Central B	28.4%
Sandown South B	27.6%
Brading and St Helens B	27.1%
Ventnor East A	25.8%
St Johns East A	25.6%
Freshwater Norton	24.2%

**Figure 4: LSOA with highest levels of child poverty (all children) HMRC measure**

LSOA	all children
St Johns West A	43.0%
Ventnor West B	35.9%
Pan B	35.5%
Pan A	34.1%
Mount Joy B	32.8%
Shalfleet and Yarmouth A	28.9%
Carisbrooke West B	28.8%
Ryde South West A	28.0%
Ryde North East B	27.8%
Shanklin Central B	27.5%
Brading and St Helens B	26.8%
Sandown South B	25.8%
Ventnor East A	25.5%
Freshwater Norton	25.2%
St Johns East A	24.3%

<sup>2</sup> LSOA's Lower Super Output Areas – are geographical measurements that allow statistical analysis at small area level

St John's West A has the highest level of child poverty both for under 16 year olds (43.6%) and all children (43.0%). Ventnor West B, Pan B and A and Mount Joy B follow with over 30% poverty levels.

LSOA's that have seen the greatest percentage change from 2015 include areas that have lower levels of child poverty therefore an increase will result in a greater percentage rise. For instance, Cowes Castle West A has seen a 312.5% increase from 2015 in under 16 child poverty levels but remains low at 3.3%. Gurnard has also seen a large increase again due to small number (from 3.8% in 2015 to 11.6% in 2016 – a 205.3% increase). This does help show that areas not traditionally associated with child poverty are experiencing an increase. This increase may in part be due to the rise of in-work poverty as more families fall below the 60% median income:

**Figure 5: LSOA with greatest percentage increase 2015 to 2016 – Under 16's child poverty – HMRC measure**

LSOA	2015	2016	percentage difference
Cowes Castle West A	0.8%	3.3%	312.5%
Gurnard	3.8%	11.6%	205.3%
Lake South B	8.3%	15.1%	81.9%
Shalfleet and Yarmouth A	16.0%	29.0%	81.3%
Seaview and Nettlestone B	5.5%	9.8%	78.2%
Newchurch A	3.5%	6.1%	74.3%
Central Rural A	4.9%	8.2%	67.3%
Freshwater Norton	14.9%	24.2%	62.4%
Binstead A	5.6%	8.6%	53.6%
Cowes Castle West B	6.8%	10.4%	52.9%

**Figure 6: LSOA with greatest percentage increase 2015 to 2016 – All children child poverty – HMRC measure**

Lsoa	2015	2016	percentage difference
Cowes Castle West A	1.2%	3.8%	216.7%
Gurnard	3.9%	10.6%	171.8%
Seaview and Nettlestone B	5.9%	11.2%	89.8%
Shalfleet and Yarmouth A	15.5%	28.9%	86.5%

Lake South B	9.6%	17.1%	78.1%
Ashey B	8.8%	14.5%	64.8%
Freshwater Norton	15.3%	25.2%	64.7%
Central Rural A	5.0%	8.1%	62.0%
Newchurch A	4.2%	6.7%	59.5%
Cowes Castle West B	6.3%	9.6%	52.4%

Areas that have seen the greatest increase in terms of percentage points and therefore not as a percentage of itself include Shalfleet and Yarmouth A increasing 13.0 percentage points (from 16.0% to 29.0%, Freshwater Norton increasing by 9.3 percentage points (from 14.9% to 24.2%) and Mount Joy B increasing 9.2% (from 23.7% to 32.9%) – Under 16's.

Areas that have seen the greatest percentage decrease tend to be those with poverty levels below or around the average for the Island and include Chale, Niton and Whitwell A that has seen a 34.6% reduction from 7.8% to 5.1% and Cowes Central B reducing 29.9% from 13.4% to 9.4% (Under 16's):

**Figure 7: LSOA with greatest percentage decrease 2015 to 2016 – Under 16's child poverty – HMRC measure**

LSOA	2015	2016	percentage difference
Chale Niton and Whitwell A	7.8%	5.1%	-34.6%
Cowes Central B	13.4%	9.4%	-29.9%
Wootton A	10.9%	8.2%	-24.8%
Wroxall and Godshill A	12.3%	9.4%	-23.6%
Bembridge South	20.9%	16.2%	-22.5%
Central Rural B	14.7%	11.5%	-21.8%
Brighstone and Calbourne A	6.1%	4.9%	-19.7%
Seaview and Nettlestone A	8.9%	7.2%	-19.1%
Ryde South East B	18.4%	15.0%	-18.5%
Totland A	14.6%	12.0%	-17.8%

**Figure 8: LSOA with greatest percentage decrease 2015 to 2016 – All children child poverty – HMRC measure**

LSOA	2015	2016	percentage difference
Cowes Central B	15.1%	10.9%	-27.8%

Totland A	14.1%	10.8%	-23.4%
Bembridge South	19.9%	15.5%	-22.1%
Ryde South East B	18.3%	14.6%	-20.2%
Parkhurst A	15.1%	12.2%	-19.2%
Shanklin South A	14.1%	11.4%	-19.1%
Seaview and Nettlestone A	8.3%	6.9%	-16.9%
Ventnor East B	17.5%	14.6%	-16.6%
Chale Niton and Whitwell A	6.8%	5.7%	-16.2%
Central Rural B	14.9%	13.0%	-12.8%

### **The Households Below Average Income (HBAI) and End Child Poverty data:**

#### **National**

End Child Poverty<sup>3</sup> using data from HBAI state that:

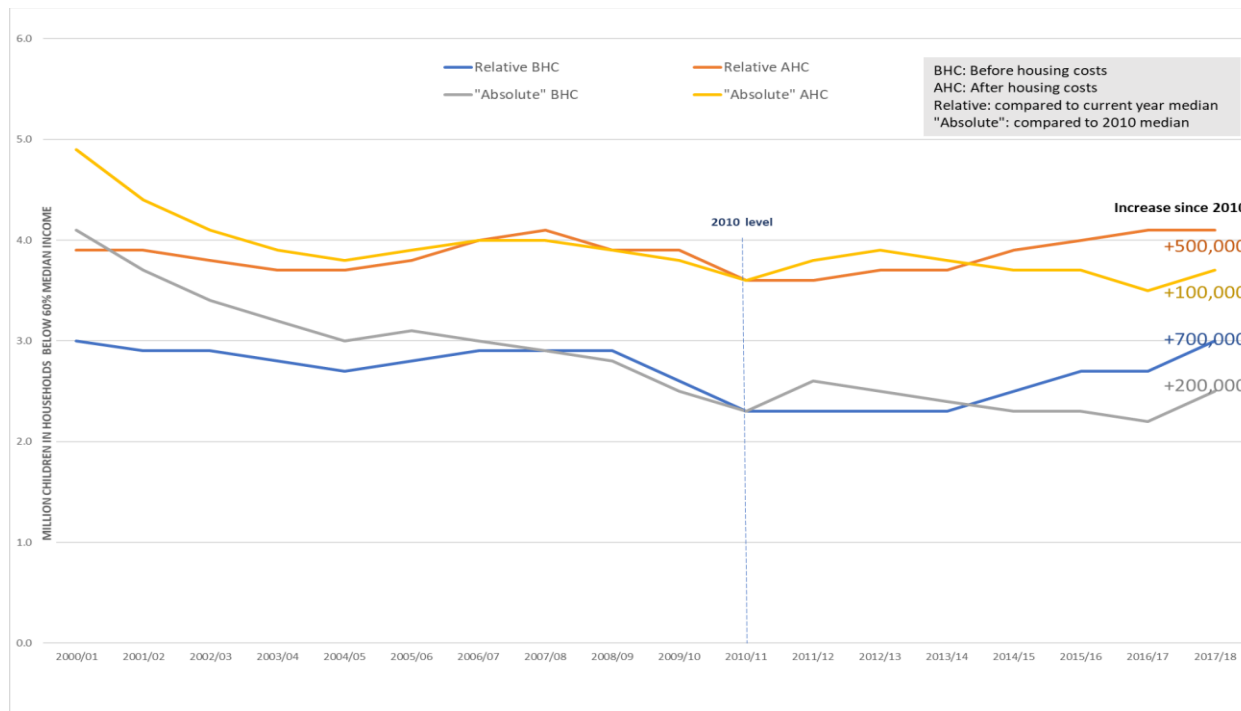
- 30% of children (under 20 years old) are in poverty nationally (2016-17);
- the Institute for Fiscal Studies project that the number of children in relative poverty will have risen from 3.6m to 4.3 million by 2020;
- Two-thirds (67 per cent) of children growing up in poverty live in a family where at least one member works;
- By GCSE, there is a 28 per cent gap between children receiving free school meals and their wealthier peers in terms of the number achieving at least 5 A\*-C GCSE grades (DfE)

National figures indicate that both “relative” and “absolute” poverty are now higher than in 2010, whether measured before or after housing costs. Relative poverty is based on income below the 60% median and findings show that figures did not immediately rise during the economic downturn as all incomes fell resulting in a lower median, however, more recently general incomes have seen a slight increase whilst the income of less well-off families has been hit by severe real-terms cuts in benefit levels and by higher housing costs, while being constrained by limited opportunities to improve earnings from work. At least half a million more children are in relative poverty as a result, with two thirds of child poverty occurring in working families.

<sup>3</sup> End Child Poverty <http://www.endchildpoverty.org.uk/key-facts/>

Even on the “absolute” measures – based on a fixed income threshold set at 60% of 2010 income (inflation-uprated) - more children are in poverty than at the start of the decade, despite incomes having risen overall <sup>4</sup>:

**Figure 9: Relative and Absolute child poverty – Before and After Housing Cost (B/AHC) 2000/1 to 2017/18:**



Source: <http://www.endchildpoverty.org.uk/wp-content/uploads/2019/05/child-poverty-indicators-2019-report-to-ecp-1.pdf>

<sup>4</sup> J. Stone and D. Hirsch, May 2019, Local Indicators of child poverty 2017/18, University of Loughborough; <http://www.endchildpoverty.org.uk/wp-content/uploads/2019/05/child-poverty-indicators-2019-report-to-ecp-1.pdf> p.3.



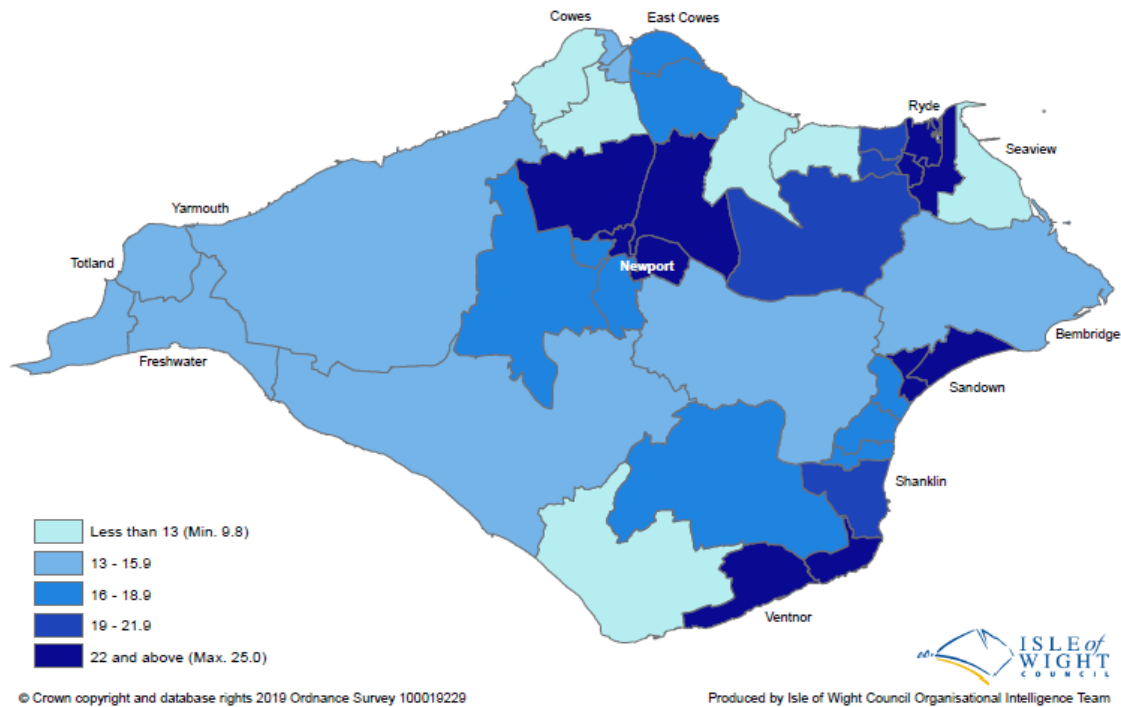
## Local

Figures from the HBAI (2017/18) and applied locally by the End Child Poverty coalition indicate that levels of child poverty on the Island are 18.1% for Before Housing Costs (BHC) a decrease of 1.3% and equates to 5,050 children and 34% After Housing Costs (AHC) equating to 9,555 children and a 2% increase on previous figures.

Figures at ward level indicate that areas with the highest levels of child poverty BHC include Ryde South with a quarter of children in poverty (25.0%), Ryde East (24.8%), Ventnor West (24.4%), Ventnor East (24.4%), Ryde North East (23.5%) and Parkhurst (23.5%):

**Figure 10: Isle of Wight - Percentage of children in poverty – Before Housing Costs 2017/18 by Ward**

Percentage of Children in Poverty at May 2019 - Before Housing Costs



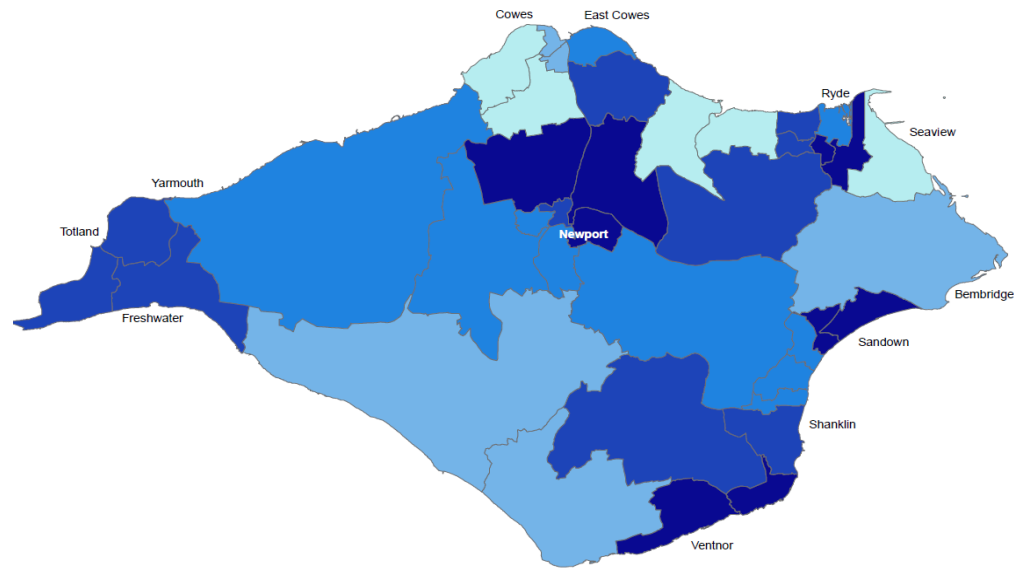
Source: <https://www.endchildpoverty.org.uk/poverty-in-your-area-2019/>

Areas with greatest levels of AHC poverty are: Newport East (43.9%), Newport North (43.3%), Ventnor West (43.0%), Ventnor East (43.0%), Sandown North (41.6%), Sandown South (41.6%) and Ryde South (41.5%):<sup>5</sup>

**Figure 11: Isle of Wight – percentage of children in poverty - After Housing Costs 2017/18 by Ward**

<sup>5</sup> <http://www.endchildpoverty.org.uk/wp-content/uploads/2019/05/child-poverty-indicators-2019-report-to-ecp-1.pdf>

Percentage of Children in Poverty at May 2019 - After Housing Costs



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Produced by Isle of Wight Council Organisational Intelligence Team

Source: <https://www.endchildpoverty.org.uk/poverty-in-your-area-2019/>

### **Local Action**

The wider children's workforce endeavour to improve outcomes for young people and their families and tackling child poverty is integral to this. This includes schools, nurseries, health visitors, schools nurses, family centres, children's social care, early help, SEN support and NHS to name a few:

**The Isle of Wight Council's Corporate Plan 2019 to 2022** has made tackling child poverty one of its targets and includes a long term measure to reduce child poverty to 16% by 2027. **The Isle of Wight Children and Young People's Plan 2017 to 2020** also as number of children in poverty as one of the signs its making a difference.

<https://www.iow.gov.uk/azservices/documents/1433-Draft-Corporate-Plan-2017-2020.pdf> (refreshed 2019)

<https://www.iow.gov.uk/azservices/documents/2757-CYPP-2017.pdf>

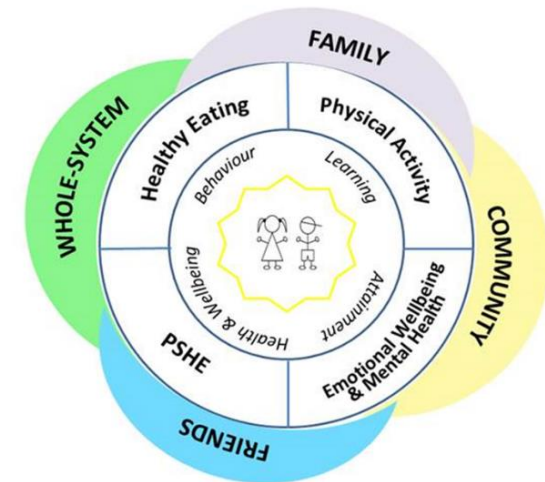
**The Health and Wellbeing Strategy for the Isle of Wight 2018 to 2021** includes reducing child poverty as a priority through ‘providing access to affordable housing and the availability of jobs and sustainable transport through inward investment and regeneration.

<https://www.iow.gov.uk/azservices/documents/2721-3950PH-HWS-2018-April-2018.pdf>

**The Children’s Safeguarding Partnership** supports the wider children’s workforce to adopt a ‘Family Approach’ whereby better outcomes for children (including unborn babies), adults with care and support needs, children and their families are achieved through co-ordinating the support they receive from Adult and Children and Family Services. The support provided by these services should be focused on problems affecting the family as this is the only effective way of working with families experiencing the most significant problems

<https://www.hampshiresafeguardingchildrenboard.org.uk/wp-content/uploads/2019/01/4LSCB-and-4-LSAB-Proposal-A-Family-Approach-V11January-2019-1.pdf>

**PEACH –Partnership for Education, Attainment and Children’s Health** – between Public Health and schools and is the Isle of Wight’s approach to creating, coordinating and embedding whole-system and community action towards developing the health and wellbeing of the whole-child within, and through, educational settings and includes a framework comprised of 34 criteria across four domains (PSHE, Healthy Eating, Physical Activity and Emotional Wellbeing & Mental Health);



**The Local Offer – a range of support for families and young people 0-25 years.** The Local Offer has been designed to help parents and carers find the right support for children with special educational needs and disabilities. All families need extra support from time to time. Knowing what is available gives you more choice and more control over what support is right for your child.

<https://www.iow.gov.uk/localoffer>

**Short Breaks - a statutory service funded through Children's Services by the Isle of Wight Council** and aims to increase activity opportunities available for children and young people with disabilities and/or additional needs to participate in. Short Breaks offers a range of after-school clubs, evening and weekend activities and overnight stays for children and young people (up to their 19th birthday).

<https://www.iow.gov.uk/Residents/Care-Support-and-Housing/Short-Breaks/Short-Breaks1/Introduction>

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