

Plaid Cymru debate – household debt

MS Briefing – November 2021



Key messages

- Families and households across Wales have been put under immense pressure by the pandemic. This has a serious impact on every member of the family, including children and young people. Household budgets have been stretched for many reasons, including furlough, redundancy, inflation and the cost of living, rising fuel prices and the removal of the Universal Credit uplift.
- We welcome the Welsh Government Winter Fuel Payment which will support many families, but Barnardo's frontline workers remain concerned about the impact of the coming months on family finances if the cost of living remains high.
- Barnardo's Cymru also works closely with care leavers, a group of young people who often experience financial hardship from a very early age and as transition into living independently. We would urge Welsh Government to focus on the distinct needs of care leavers when tackling issues related to debt and financial hardship.
- We call on Welsh Government to take a whole-family approach to supporting families with issues related to household debt and ensure that children and young people are a part of this.

How is Barnardo's Cymru are supporting families in Cymru?

Through **AdviceLink Cymru**, Barnardo's Cymru can directly refer families to Citizens Advice Cymru where they are struggling with issues that require specialist support and advice. This service removes barriers and ensures that where people are struggling, they can access the advice they need in a timely way, via face to face, phone and digital channels. One user said:

'It has improved my life tenfold. I don't know where I would be without the service, I was in a really bad place and the advice I was given has literally changed and saved my life in all honesty.'

Barnardo's Cymru Merthyr Families First Keyworking Family Support supports families in crisis and at risk of statutory intervention to improve family well-being. Specific transition support is provided for children and their families moving from Flying Start to Families First and support is offered to families affected by disability. This Keyworking Family Support service is an example of the need to tackle household debt holistically, and to consider the multiple factors affecting a family's financial situation. In 2020-2021 this service supported 241 families. This year to date we've supported 257 families, showing a demonstrable rise in the need for a whole-family approach to support.

Case study:

A single parent who worked in care found her ability to work restricted by the fact that her child was displaying challenging behaviour in school, which resulted in fixed-term exclusions and a reduced timetable. This affected her earnings and resulted in household debt. The family experienced financial difficulties which resulted in a referral to Barnardo's Families First.

A Barnardo's Support Worker attended school meetings with the parent to help rebuild confidence and communication between the family and the school and develop a plan for the child. The Support Worker also attended meetings between the parent and the housing association to look at options for back payment and moving to a smaller property. A referral was also made to Citizens Advice Bureau who have afforded support to the parent. Numerous visits to a food bank in addition to vouchers from Barnardo's Cymru were needed by the family. The child is now re-integrating into education, and Citizens Advice Bureau helped ensure income maximisation via the benefits system.

Feedback from parent: *"Received really good support, would never be where I am now without the support given."*

Barnardo's Cymru priorities for Welsh Government:

1. Take a whole-family approach to dealing with household debt across Wales. This requires cross-government and cross-departmental working to ensure that families are supported holistically and in a trauma-informed way.
2. Maximise income. Our practitioners report that there is still not enough consistency across local authorities on income maximisation. When an individual applies for one benefit, this should trigger a system whereby they are signposted to other benefits that they may be able to apply for. In some cases, this has happened successfully, but in others it still does not. Steps should be taken to seamlessly join-up and promote income maximisation in Wales.
3. Household debt can cause stress and worry for the whole family, which can, in turn, create and exacerbate mental health problems. In a recent Barnardo's Practitioner Survey, 95% of 275 respondents said that they thought there has been an increase in the number of children and young people experiencing mental health and wellbeing issues compared to before the Covid-19 pandemic. Barnardo's Cymru has called for:
 - Increase community-based, non-clinical therapeutic support for children and their families. Examples of this include Barnardo's Cardiff Family Wellbeing Service, and Golau, providing mental health support to young people on Anglesey who are pre-Child and Adolescent Mental Health Services (CAMHS).
 - Ensure that there is a sufficiently resourced, genuine 'no wrong door' approach with tie-in between services across the board which include, where appropriate, a whole-family approach.
4. Targeted support for care leavers. Care leavers face huge challenges when transitioning to living independently, and budgeting and managing their

finances is a significant part of this. Young people tell Barnardo's that the costs of setting up a new home cause significant worry and distress. Care leavers told us about having to take out pay day loans to pay debts, which then proved difficult to pay back, leading to a further cycle of debt and financial difficulties. Barnardo's Cymru has called on Welsh Government to:

- Enhance financial and budgeting support for young people leaving care, and for this to be a core part of the UBI Pilot for care leavers.
- Ensure the Welsh Government's commitment to extend personal advisors up to the age of 25 forms part of an overall care leavers offer that supports their financial wellbeing and provides signposting and support where this is at risk.

About Barnardo's Cymru

Barnardo's Cymru has been working with children, young people, and families in Wales for over 100 years and is one of the largest children's charities working in the country. We provide more than 60 diverse services across Wales, working in partnership with local authorities. Last year we worked with over 10,000 children, young people, and family members.

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