

**The deepening  
impact of poverty  
and the cost-of-living  
crisis on children,  
young people and  
families in Wales**

*A briefing paper from Barnardo's Cymru*

Date: May 2023

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children**  
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*‘You’re doing everything you can to get the bare minimum to survive. You need money but there is none. You need money but there is nowhere to get it, but some people have more than enough.’*

*A young person supported by Barnardo’s Cymru*

**Over a third of children (34%) in Wales are living in poverty<sup>1</sup> - the highest proportion of any UK nation.<sup>2</sup> The Wales Audit Office have recently published a report detailing poverty as ‘the central challenge’ of our generation.<sup>3</sup>**

This briefing paper outlines what young people are saying to Barnardo’s Cymru about poverty and the cost-of-living, the ways in which Barnardo’s Cymru is responding to the crisis, and the steps we believe Welsh Government must take.

The upcoming refresh to the Child Poverty Strategy presents an opportunity to think ambitiously about the levers that can be used to tackle poverty in Wales, and we have made recommendations with this in mind.



<sup>1</sup> <https://gov.wales/measures-poverty-april-2020-march-2021>

<sup>2</sup> <https://www.bbc.co.uk/news/uk-wales-57157436>

<sup>3</sup> [https://www.audit.wales/sites/default/files/publications/Time\\_for\\_%20Change\\_%20Poverty\\_English.pdf](https://www.audit.wales/sites/default/files/publications/Time_for_%20Change_%20Poverty_English.pdf)

# The cost-of-living crisis – what do we see in Wales?

The Office for National Statistics reports that energy prices have increased by 129.4% in the year leading to January 2023, and 1 in 3 adults is struggling to afford rent or mortgage payments.<sup>4</sup>

Citizens Advice Cymru reports that there has been a significant increase in the need to provide debt advice across Wales, with energy debt advice being the most common issue, and council tax debt also on the rise.<sup>5</sup>

Between April and September 2022, the Trussell Trust reports having given out 76,688 emergency food parcels in Wales,<sup>6</sup> with Barnardo's Cymru seeing a marked increase in the need to refer families for emergency food support.

Barnardo's Cymru is embedded in communities across Wales. Day in, day out, we work with children, young people, and families on the issues most affecting their lives. This gives us detailed insight into how poverty and the cost-of-living is playing out for thousands of families across Wales.

We recently discussed cost-of-living issues with a focus group of six young people aged 16–22 supported by one of Barnardo's Cymru's services. One of the participants told us:

*"It is a crisis. It's a massive crisis, I can't think of a better way to describe it than that."*

Alex, 16, Bristol

Young people said that they are noticing the increase in the cost of public transport and that this is causing worries and ultimately fewer opportunities to leave home, see friends and get out and about.

Some young people have difficult relationships at home and feel an urge to be away from home more often, but this is becoming increasingly difficult. Young people told us that this often leads to them spending more time online as a means of connecting with their friends.

One young person shared their fears about going to their preferred university in London because of the cost-of-living and their ability to get enough financial support to live in the city, despite it being their ambition to do a



law degree at a London university. When asked about how the cost-of-living made them feel about the future, one young person said: *"not very good at all."*

Young people in the focus group were keenly aware of the inequity between 'rich people and poor people' and the way that people on lower incomes, particularly young people, are targets for money lenders and insecure sources of credit. They felt strongly about the unfairness of this.

Young people were also aware of household pressures related to the cost-of-living, with one saying that:

*"There are some people who can't afford to have the washing machine and the tumble drier on at the same time, and some people who are having like full radiators on, full water, full gas, while all the bills are rising tremendously."*

One focus group participant said that *"you're doing everything you can to get the bare minimum to survive. You need money but there is none. You need money but there is nowhere to get it, but some people have more than enough."*

Another said that they had increasing numbers of friends who are *"getting involved in criminal activity like drug running or sex work because of the cost-of-living crisis and the need to earn money"*.

<sup>4</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costofliving/latestinsights>

<sup>5</sup> Citizen's Advice Cymru – Cost of Living Dashboard [Citizens Advice Cymru cost of living dashboard](#) | Flourish

<sup>6</sup> The Trussell Trust – Mid Year Stats <https://www.trusselltrust.org/news-and-blog/latest-stats/mid-year-stats/>

A recent survey<sup>7</sup> of Barnardo's practitioners across the UK found that:



62%

have supported families in our services with access to foodbanks



53%

have given families clothes or signposted to free clothing



49%

have supported families who are struggling to choose between heating and eating

The **most common concern** of service users experiencing poverty was:

88% access to food



87% and energy



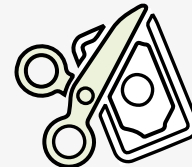
### YouGov polling for Barnardo's in February 2023 found:

In February 2023 Barnardo's conducted representative polling of 1000 parents in Great Britain with YouGov. Parents in Wales told Barnardo's their experiences of the rising cost-of-living over the last four months:



61%

say that their financial situation has declined



52%

had cut back on spending on leisure and social activities to save money



21%

had relied on friends and family to help meet costs



28%

say that in the school holidays they struggle to afford food for children



54%

say that in the school holidays they struggle to afford activities for children<sup>8</sup>

<sup>7</sup> Barnardo's Quarterly Practitioner Survey (QPS) Wave 13 7 July – 28 July 2022

<sup>8</sup> YouGov polling undertaken in November 2022 on behalf of Barnardo's with a base of 412 participants for Wales

## Barnardo's Cymru action on the cost-of-living

Barnardo's has a long history of working with families in Wales, many of whom are experiencing poverty. We deliver a number of interventions including wraparound support for managing debt and arrears and supporting the whole family.

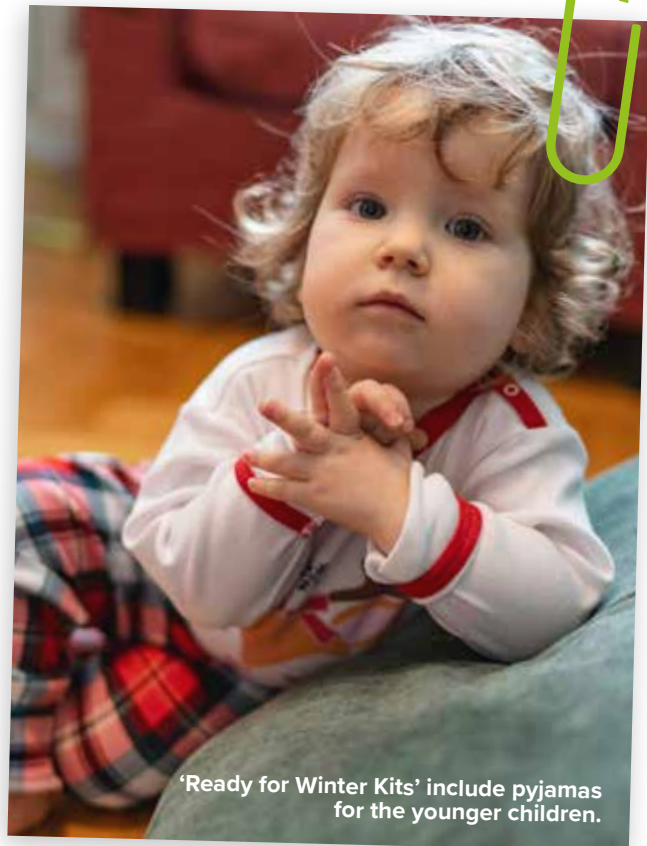
Whilst we have significant experience of working in this area, the number of families, and the severity of the problem is more acute than we have experienced for some time. Our practitioners work innovatively to support families in every way possible.

### Barnardo's 'Ready for Winter Kits', Caban Bach Family Support Service, Gwynedd

Caban Bach is a family support service run by Barnardo's in North Wales. A Children's Services Manager described how the service has been working to support families:

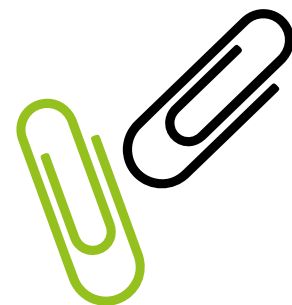
"Many of the families that are supported by Caban Bach Barnardo's are concerned about the impact of the cost-of-living crisis for them and their family. Using the local food bank is becoming the norm as well as asking for financial support through crisis loans and any other financial support that is available. We set up a project 'Ready for Winter/ Barod am y Gaeaf' to support families by providing them with a winter kit. The kit included either an Oodie blanket, fleece blanket, mittens or gloves, hat, scarf, slipper socks and pyjamas for the younger children.

Energy bills are a huge pressure point and we hoped that this small gesture has helped families feel reassured and supported. As a service we wanted to ensure that we do everything possible to support families through this difficult time. A local group of women also knitted scarfs and hats for the local children. There is a sense of community in the area, people helping people to make life a little bit easier."



'Ready for Winter Kits' include pyjamas for the younger children.

One person we support said to me: *"We are so grateful. The Ready for Winter kits are going to be a huge help over the winter they are so warm, we don't have to put the heating on as often, this is saving us a lot of money as heating is so expensive – thank you once again!"*



### **Barnardo's Children's Emergency Fund**

To meet increasing need, Barnardo's has launched a Children's Emergency Fund. It enables our practitioners across the UK to swiftly access funding to support families who face an immediate need within our services. Barnardo's staff across Wales are accessing the Children's Emergency Fund on a regular basis to provide supermarket vouchers, fuel vouchers, and many more small-scale, direct-to-family interventions that help a family facing an immediate crisis in accessing food or heating. The following examples show how this fund is being used in Wales:



As part of a mental health intervention, and some 'worry bag' work with a therapist, a young child shared that her fears of the dark had been exacerbated recently. This was because her night light had recently broken and Mum was unable to afford to replace or repair it for her. Barnardo's staff were able to access funding to replace the night light on the same day and make a huge and immediate difference to the child.

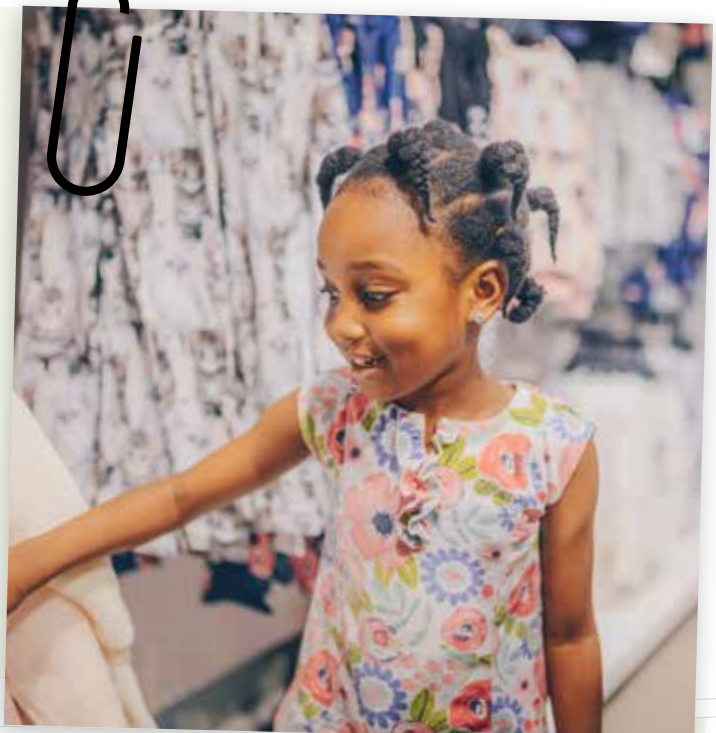


**Barnardo's Newport Partnership** delivers trauma-informed, solution-focused interventions to children and families where an identified need has been referred to the service by a case-holding social worker. Mark Carter, Assistant Director Children's Services, South-East Wales at Barnardo's shared the following example:

*"We were working with a 17-year-old young person who was previously homeless and had recently moved into shared accommodation. She was 20 weeks pregnant. We were able to help her purchase maternity clothes, a winter coat for herself and to buy some essential items to prepare for the birth of the baby in June. Without the support she would not have been able to prepare for the arrival of the baby."*

Siblings aged 14, 12 and 11 were residing with their father. He became very ill and was taken into hospital where he later died. The children went to live with their father's ex-partner as she had played a big part in their lives. The children were moved into her care quickly and did not get a chance to take any of their belongings. Members of the father's family came to his house and cleared out his belongings including the children's possessions. The three children were upset that they did not have any of their familiar things or clothes.

The Barnardo's Children's Emergency fund enabled the children's new carer to purchase new bedding, a winter coat each for the children and some essential items of clothing. The children had a choice in what they bought.



# Recommendations to the Welsh Government

Barnardo's has welcomed the Welsh Government's commitment to publishing a new Child Poverty Strategy by the end of 2023 and looks forward to ensuring that the voices and experience of children, young people and families are at its heart. The Welsh Government should ensure that any new strategy is cross-cutting across all areas of government and is supported by a delivery plan and measures of progress that are ambitious for the coming years.

We would recommend the following measures to address poverty and the cost-of-living in Wales, particularly in relation to children, young people, and families.

Given that poverty is an issue which has long been persistent and challenging in Wales, we have suggested recommendations to be taken in the short, medium, and long term. This is in recognition of the fact that whilst the need is more pressing and requires swift action, we must still focus on the long-term goal of driving down child poverty in Wales and the changes that are within our means to do that may take some time to implement.

## Short term

- Accelerate the rollout of **free school meals** wherever possible, including giving immediate access to children whose parents are in receipt of Universal Credit, whilst the universal rollout takes place. We would also urge the Welsh Government to explore how free school meals can be extended to secondary schools as a next step in this flagship policy that will ensure more children in Wales do not attend school hungry.
- **Uplift the Educational Maintenance Allowance (EMA).** We are pleased to see that the Welsh Government has agreed to uplift EMA from £30 to £40 per week. However, young people have told us that over £20 of this is spent on bus travel, so despite the rise, this leaves little left over to help pay for lunches, books or anything else. We also

welcome the comprehensive review of the EMA which will be conducted, this will be an important step in ensuring EMA is effective in supporting 16- to 18-year-olds from low-income households with further education costs.

- **Ring-fence funding for local authorities directed at supporting children on the edge of care and in local authority care.** These are some of the most disadvantaged children in Wales, who will already be vulnerable to the cost-of-living crisis and the worst consequences of it.<sup>9</sup> At the same time, we know that local authorities are facing incredibly difficult choices within their Local Government Settlement and will do again in future years. Barnardo's Cymru believes that children on the edge of or in local authority care should have spending focused on them protected by Welsh Government to ensure that the innovative practices that can help keep families safely together are not adversely affected by the cost-of-living crisis.

These services will also be desperately needed if we are to meet the Welsh Government's commitment to radically reform children's social care. It is critical that these services are protected, and ideally receive further investment, in coming years.

- **Ensure that no child is removed from the family for the principal reason of material neglect due to poverty.** Take swift action to identify and support families where financial assistance is urgently needed. This includes social workers and family support colleagues across Wales being able to draw on emergency funding to pay for simple necessities like clothing, food, furniture, and fuel.
- Urgently address the pressures on **Families First** services and budgets across Wales. Families First services were designed to provide early intervention and prevention services for families in need. However, due to rising statutory thresholds, increasing demand<sup>10</sup> and the complexity of need

<sup>9</sup> Edge of Care Briefing ENG FINAL.pdf (barnardos.org.uk)

<sup>10</sup> Barnardo's reporting showed that During 2021-2022 a Families First service received a total of 213 new referrals – an increase of 64%, and engaged with 330 families, an increase of 42%.

<sup>11</sup> Barnardo's reporting found that a Families First Service has seen an increase in the Main Reason for Referral – more families are being referred due to poor mental health and emotional wellbeing:

- 23 families in Quarter 3
- 40 families in Quarter 4 (an increase of 74%)

which families are experiencing,<sup>11</sup> in many places Families First now effectively occupies an edge of care role. This potentially leaves a gap where there should be support for families who require an early intervention or prevention response.

The impact of inflation on the delivery of Families First provision is also having a severe impact on the ability of teams to feel that they can meet high levels of need in the community. With no uplift to many contracts for several years, services have seen real term cuts.

Barnardo's calls on the Welsh Government to review Families First provision, the stress points most acutely affecting delivery, and how provision can be invested in for the future. Furthermore, an inquiry into the cost-of-living crisis and how this exacerbates pre-existing family issues should be explored.

- Ensuring families access everything they are entitled to under the social security system is a key concern in Wales. The Welsh Government should accelerate and adopt proposals for a **Welsh Benefits System**, which will deliver income maximisation and smooth the application process for households across Wales.
- **Revisit the Winter Fuel Support Scheme for 2023-2024.** We know that this winter is unlikely to be better than the last for families who will struggle to heat their homes. There was no commitment to the Winter Fuel Support Scheme in Welsh Government's 23/24 Budget, and we would urge Ministers to consider how additional support can be targeted at those most in need this winter.



## Medium Term

- **Introduce free transport for young people under the age of 18.** Young people are disproportionately affected by the financial barriers to transport in Wales. Introducing free transport would open opportunities for employment and training, and other enrichment opportunities, whilst also bringing Wales into line with Scotland.
  - In the case of care leavers, we would recommend that free bus travel is extended to them from the age of 18 up until the age of 25.<sup>12</sup>
  - We would also urge the Welsh Government to offer free public transport to young carers, using the Young Carers ID Card scheme, to provide them with this support up to the age of 25.
  - The Government should also consider extending free public transport to families who are eligible for Flying Start in order to extend the benefits of free transport to Wales' youngest children.
- **Expand Flying Start** provision so that all elements of Flying Start are available in more areas of Wales. 44% of children living in economically disadvantaged households live outside of Flying Start areas, we must ensure that we meet their needs as a matter of urgency.<sup>13</sup> This could be achieved through a Best Start in Life plan for every local authority and health board area working through systemic investment and decision making during the most important, defining years of a child's life.
- **Expand free childcare** to all two-year-olds, irrespective of their parents' employment or training status. The measure of success of free childcare should be focused on outcomes for children and not determined by parental status.
- **Introduce a young carer's cost-of-living payment.** Many young carers in Wales take on huge amounts of responsibility by caring for a relative but receive no financial support to do so. Their contribution to the economy and society is immense, and yet they often report feeling forgotten and unseen, whilst facing significant financial challenges. Using the Young Carers ID scheme, we would urge Welsh Government to explore how a one-off young carer's payment of

<sup>12</sup> <https://cms.barnardos.org.uk/sites/default/files/2022-06/Transport%20for%20Freedom%20-%20Barnardo%27s.pdf>

<sup>13</sup> <https://www.savethechildren.org.uk/content/dam/global/reports/education-and-child-protection/stc-wales-childcare-report-2017.pdf>



£500 (to match the unpaid carer's payment) could be introduced to support these young people.

- **Commit to the rollout of baby bundles** across Wales. The 2018 pilot found that the baby bundles pilot in Swansea delivered positive outcomes and reduced stigma of new parents by creating a baseline and ensuring that every parent could provide the basics needed for a newborn baby<sup>14</sup> At a time of huge financial pressure on most households, we would urge the Welsh Government to commit to rolling this out universally and ensuring that all new parents receive some support for their young families.
- Plan for the future of the **Basic Income Pilot** to ensure that this delivers better outcomes and improved financial stability for care leavers and other disadvantaged groups of young people, both in the short- and long-term.



### Medium to Long Term

- We urge the Welsh Government to recognise the growing evidence about the impact of the rising cost-of-living on children's health and how this may widen health inequalities. We are particularly concerned about the **long-term effects of poverty on health outcomes including the impact on mental health**. Our work with families in Wales has shown us that improving young people's mental health often requires an understanding of their whole family dynamic to bring about sustained change. We have successfully applied this model in Barnardo's Cardiff Family Wellbeing Service. The Welsh Government should **prioritise investment in interventions that use a whole family approach**.
- Explore how further devolution can support the possibility of a **Welsh Child Payment**, in addition to Child Benefit, which would support low-income families with the costs of raising a child. Scottish Government provides a weekly payment of £20 to the parents of children who are under age 6 and are in receipt of benefits.<sup>15</sup>
- Implement a **Welsh Government cost-of-living crisis fund** to enable organisations and individuals to access funds for people facing immediate and significant hardship.
- **Recognise poverty as a traumatic event** in a child's life, and ensure long-term, trauma-informed support for children, young people and families, related not just to the initial impacts of poverty, but long-term consequences on mental health, physical health and other outcomes.
- Research by CASCADE (Children's Social Care Research and Development Centre) at Cardiff University has shown that the likelihood of going into care is directly linked to the indices of deprivation, and therefore poverty.<sup>16</sup>

<sup>14</sup> <https://gov.wales/evaluation-baby-bundles-pilot-summary-html#section-66673>

<sup>15</sup> <https://www.mygov.scot/scottish-child-payment>

<sup>16</sup> Child Welfare Inequalities in a Time of Rising Numbers of Children Entering Out-of-Home Care, British Journal of Social Work, Martin Elliot 2019 <https://academic.oup.com/bjsw/article/50/2/581/5681458?login=false#201575914>



## 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. We currently run more than 60 diverse services across Wales, working in partnership with local authorities. Each year we regularly support more than 10,000 children, young people and families. We aim to secure better outcomes for more children by providing the support needed to ensure stronger families, safer childhoods and positive futures. We use the knowledge gained from our direct work to campaign to improve the lives of children, young people and families by promoting positive change in policy and practice. We believe that with the right help, committed support and belief all children can fulfil their potential.

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