





Consultation on the Child Poverty Strategy 2014-17

Adfam, Alcohol Concern and DrugScope response

Introduction

- 1. This response has been written jointly by Adfam, Alcohol Concern and DrugScope. We have a shared interest in the impact of parental drug and alcohol use on children and are concerned with the accurate and appropriate reflection of this within policy. We have restricted our comments to the particular issues arising from the relationship between drug and alcohol problems and child poverty, as well as the associated issues of worklessness, benefits and unmanageable debt.
- 2. Adfam is the national umbrella organisation working to improve support available for families affected by drug and alcohol use. Adfam works with a network of organisations, practitioners and individuals who come into contact with the families, friends and carers affected by someone else's drug or alcohol use and works extensively with professionals and Government to improve and expand the support available to families.
- **3. Alcohol Concern** is the leading national charity working on alcohol issues. Alcohol Concern's goal is to improve people's lives through reducing the harm caused by alcohol. It has an ambitious long-term aim to change the drinking culture in this country. Alcohol Concern works at a national level to influence alcohol policy and champion best practice locally. It supports professionals and organisations by providing expertise, information and guidance. It is a challenging voice to the drinks industry and promotes public awareness of alcohol issues.
- **4. DrugScope** is the leading UK charity supporting professionals working in drug and alcohol treatment, drug education and prevention and criminal justice. It is the primary independent source of information on drugs and drug related issues.
 - DrugScope has around 450 members, primarily treatment providers working to support individuals in recovery from drug and/or alcohol use, local authorities and individuals. Its member agencies are amongst those providing support to over 200,000 people receiving community and residential treatment, plus harm prevention, advice, education and related recovery services.

KEY MESSAGES

- Our organisations welcome the development of a Child Poverty strategy aimed at increasing understanding of child poverty, including the impact of parental drug and alcohol problems, improving the strategic response to it and ultimately reducing its levels.
- It is important to distinguish between cause and effect when talking about child poverty.
 Although substance use, poor housing, unemployment and other factors are all connected and may contribute to child poverty, income and material deprivation should always be the central factor.
- We welcome the commitment to enable unemployed parents with histories of substance use towards and ultimately into the paid job market through tailored conditionality in Universal Credit. However, we are concerned that taken as a whole, welfare reform and tougher conditionality may be having adverse effects on both recovery from substance use and also child poverty.
- We welcome the extension of the two Work Programme drug and alcohol pilots, although it is, at this stage, impossible to comment on their effectiveness or otherwise.
- We note that while employment is one of the primary routes out of poverty, it is increasingly only a partial one.

The Consultation

- **5.** We welcome the Government's commitment to ending child poverty by 2020 and the belief that 'where you start in life should not determine where you end up'¹.
- **6.** We reiterate a point made in our previous submission on the measurement of child poverty. When deciding what child poverty is, it's essential not to conflate cause with consequence. Unmanageable debt, poor housing and parental ill health are all risk factors as well as symptoms of child poverty and conflating the two risks seriously clouding the issue. As such we welcome the Evidence Review's statement that 'the direction of causality between substance misuse and low incomes is less clear [than their co-occurrence]².
 - We reassert our belief that the central criteria for any judgement of child poverty must always be income levels and material deprivation. The definition as outlined in the Child Poverty Act 2010 remains the best available, combining as it does measures of relative and absolute income, persistent poverty and the combination of low income and material deprivation.
- 7. The consultation gives an accurate overview of what the government has done in recent years regarding policy and legislative development. It suggests how existing schemes such as the Work Programme, the Troubled Families initiative and the drug and alcohol payment-by-results pilots as well as Universal Credit (which will be implemented soon) will contribute to the reduction of child poverty. However it provides significantly less on future strategy or measures to be taken to decrease child poverty, including any work which is aimed specifically at this goal.

¹ Draft consultation, p11

² Evidence review, p84

8. We welcome the focus on groups of children 'disproportionately affected by socio-economic disadvantage' (annex D). Children (and other family members) can be very negatively affected by a range of problems including poor housing, physical or mental ill health, involvement in the criminal justice system and substance use. These factors can contribute to child poverty, although only a fraction of the 2,300,000 children currently living in poverty will be living with a parent with a drug or alcohol problem, and a recent evidence review carried out by the Joseph Rowntree foundation emphasises that problematic substance use is likely to be a consequence of economic marginalisation and low social capital as well as a cause³. However the proposed merging of the two data-sets – 'parents with addiction' and ex-offenders – is potentially problematic. These two groups only partially overlap, the data collected is often different and the current strategy does not provide clarity on what conflating the two sets of data would achieve.

Substance use

9. It is estimated that 4% of all children under 16 years old in the UK live with a dependent drinker (over 700,000 children)⁴. A further 22% (over 2.5 million children under 16) live with a hazardous drinker ('hazardous drinking: a pattern that increases the risk of harm of harmful consequences to the user or others')⁵. Unfortunately, there is currently no data on how many children are affected by FASD (foetal alcohol spectrum disorder) but 31,000 babies under one in the UK live with a dependent drinker⁶.

It is estimated that there are between 250,000 and 350,000 children with a problematic drug user as a parent⁷. Just over 50% of everybody in drug treatment is either a parent or lives with children and around 104,000 under 18s in England are currently living with people in drug treatment.⁸ This number must be seen in the context of the 2,300,000 children currently living in poverty according to the relative measure in the 2010 Act: the problem of child poverty is of a totally different scale.

Children living with parental alcoholism and drug use face a range of increased risks in their lives including the likelihood of being in trouble with the police and experiencing difficulties in school⁹. They are more likely to miss out on family effectiveness and parenting needed for full and healthy development¹⁰ and as a group they are far more likely to develop alcohol issues themselves¹¹.

³ www.jrf.org.uk/sites/files/jrf/poverty-culture-behaviour-full.pdf

⁴ Manning V, Best D, Faulkner N & Titherington E (2009), New estimates of the number of children living with substance misusing parents: results from UK national household surveys. BMC Public Health 9: 377.

⁵ Ibid

⁶ Ibid

⁷ Advisory Council on the Misuse of Drugs (2003), Hidden Harm: responding to the needs of children or problem drug users

⁸ National Treatment Agency (2012), Parents with drug problems: How Treatment Helps Families

⁹ Sher, K.J. (1997), Psychological characteristics of children of alcoholics, Alcohol Health and Research World, Vol. 21.

¹⁰ Moos, R.H & Billings, A.G. (1982), Children of alcoholics during the recovery process: alcoholic and matched control families. Addictive Behaviours, 7:155-163

¹¹ Fawzy, F.I., Coombs, R.H, & Gerber, B. (1983), Generational continuity in the use of substances: the impact of parental substance use on adolescent substance use. Addictive Behaviours, 8, 109-114

- 10. Poor parental health, including drug use, and alcohol use disorders and dependence, can increase the risks of poverty but certainly does not necessarily precipitate poverty. We cannot assume a linear relationship where substance use leads to child poverty, or vice versa. Not all vulnerable or marginalised families will exhibit harmful drug or alcohol use. The extent to which alcohol misuse impacts on parental capacity to provide financially is unclear.
- **11.** Alcohol misuse cuts right across the socio-economic strata of society and contrary to popular perception, alcohol use is higher and more frequent amongst higher earners 30% more high earners than low earners consumed alcohol in the previous week¹². The difference is most pronounced amongst women, seven in 10 women earning £1000/week or more had an alcoholic drink in the past week, compared with four in 10 women earning up to £200/week¹³. In 2009, half of those in the lowest income quintile report abstaining over the last week compared with only a fifth in the highest quintile¹⁴.
 - Increased alcohol consumption is reflected not only in earnings but in educational attainment and employment hierarchy. Women educated to degree level are three and a half times more likely than women with no qualifications to consume alcohol on most days¹⁵. On average in 2010, higher ranking employed men and women consumed three units more of alcohol per week than their lower ranking employed counterparts¹⁶.
- 12. Evidence clearly indicates that a socio-economically unequal society leads to a wide range in the health outcomes of its citizens, with the least privileged, including families living in poverty, experiencing disproportionate negative effects and worsened outcomes across all measures, including regarding alcohol and drug use. It was noted in Health Statistics Quarterly that Office for National Statistics figures reveal a worrying trend regarding alcohol 'the mortality rate of men in the Routine class [least advantaged] was 3.5 times those of men in Higher and Managerial occupations [most advantaged], while for women the corresponding figure was 5.7 times'¹⁷. This could be explained if those in the least advantaged classes routinely drank substantially more than those in the most advantaged classes. This possibility is considered, and discounted, by the paper, which states 'repeated population-based sampling surveys have suggested an inverse relationship between alcohol consumption and socio-economic class¹⁸, meaning those in the Routine class drank no more, and probably less, than those in the Higher and Managerial occupations.
- 13. We believe that living in poverty lowers the access families have to the wider social and recovery capital which mitigate against the development of drug and alcohol problems and worsened outcomes. Any successful lessoning of child poverty and wider social inequalities should therefore decrease the negative effects of drug and alcohol use. A literature review of drugs and poverty regarding Scotland 'supports the view that there is a strong association between the

¹² Office for National Statistics (2012), General Lifestyle Survey Overview; A Report on the 2010 General Lifestyle Survey, Newport, Office for National Statistics

¹³ Ibid

¹⁴ NHS Information Centre (2010), Health Survey for England, 2009. Volume 1: Health and Lifestyles, London, NHS Information Centre for Health and Social Care

¹⁵ OECD Directorate for Education (2010), Education, Alcohol Use and Abuse among Young Adults in Britain. Education Working Paper No. 50, Paris, OECD Publishing

¹⁶ Office for National Statistics (2012), General Lifestyle Survey Overview. A Report on the 2010 General Lifestyle Survey

¹⁷ Social inequalities in alcohol-related adult mortality by National Statistics Socio-economic Classification, England and Wales, 2001–03

extent of drug problems and a range of social and economic inequalities. Therefore, narrowing these inequality gaps should contribute significantly to a reduction in high levels of damaging drug use.'

Benefits and unemployment

- 14. We welcome the commitment in the draft strategy to create employment, support unemployed people into work, to make work pay through the introduction of Universal Credit and reforms to Personal Tax Allowances and through enforcing the minimum wage. We know that most people affected by drug and/or alcohol use want to work, and we believe that work can, among other things, improve reintegration, sustain recovery and lead to greater financial independence. We also welcome the prominence afforded to 'recovery capital' in the Government's 2010 Drug Strategy¹⁹: employment is one of the key components of this. However, we have some concerns:
- 15. There are now more children in poverty in working households than in unemployed households, continuing the trend of the last four years²⁰. Consequently, while we note that other evidence²¹ indicates that employment is still a successful route out of poverty, it is no longer an assured one and that the combination of insecure employment, low wages and costs that have in many cases risen substantially since 2008 have had a substantial and negative impact. Some of the other proposals in the draft strategy (for example Universal Credit, Tax Allowance changes and increased scrutiny of zero-hours contracts) may mitigate this to an extent, but Government should pay heed to the implications of the changing nature of the United Kingdom's job market. The effect on those who are already highly disadvantaged in the job market, such as those with histories of substance use, may well be more marked than on other cohorts. The main mechanisms of support for people seeking employment are the Jobcentre Plus network and, for the longer-term unemployed or those with additional barriers to employment, the Work Programme. Introduced in 2009, Jobcentre Plus previously was able to draw on a network of specialist Drug Co-ordinators, with the remit to work with claimants with histories of substance use and to foster partnerships between Jobcentre Plus and specialist drug and alcohol services. These roles have now been repurposed as Partnership Managers with a broader remit; research by DrugScope²² suggests that the Drug Co-ordinators played a valuable role in enabling people to engage effectively with Jobcentre Plus and that the inevitable dilution of this specialist provision has been unhelpful.
- **16.** Work Programme performance data does not enable us to understand the effectiveness of the Work Programme in supporting people with histories of drug and/or alcohol use into employment, although anecdotal information provided by specialist drug and alcohol subcontractors and by participants themselves²³ suggests that it may not be achieving its stated aim of providing personalised and tailored support regardless of support needs and barriers to employment. We welcome the introduction of the Work Programme drug and alcohol pilots

¹⁹ www.gov.uk/government/uploads/system/uploads/attachment_data/file/118336/drug-strategy-2010.pdf

²⁰ www.gov.uk/government/uploads/system/uploads/attachment_data/file/206778/full_hbai13.pdf

²¹www.gov.uk/government/uploads/system/uploads/attachment_data/file/302911/35696_Cm_8782_accessible.pdf

²² www.drugscope.org.uk/Resources/Drugscope/Documents/PDF/Policy/PathwaystoEmployment2014.pdf 23 lbid

- and the commitment in the draft strategy, but we have seen no signs so far that they will have the transformative effect on performance required.
- 17. Conversely, research by DrugScope may have identified a concerning trend of effective provision of non-Work Programme employment support provision being reduced²⁴. Of the four London services used in the report to illustrate good practice in employment support, only one has not either closed entirely or faced serious financial difficulty in continuing. The mechanisms for funding these and similar projects are multiple and often complex, but one concern is that the public health reforms referred to in the Draft Strategy are leading to a diversion of funding away from non-core treatment related activity or, potentially, away from the provision of drug and/or alcohol services entirely in favour of whole-population level measures²⁵. While increased autonomy to local areas (alongside other innovations such as the Community Budget approach) is in many respects welcome, Government should be vigilant for signs of disinvestment in crucial services which, while directly serving a relatively small proportion of people, deliver substantial wider community benefits.
- **18.** We also note that while an exhaustive list of supported projects is not available, DrugScope is unaware of any specialist drug and/or alcohol employment services supported via Jobcentre Plus's Flexible Support Fund. This stands in contrast to some other areas of specialist support²⁶, and addressing this might be one way in which effective employment support and for people with histories of substance use can be facilitated.
- 19. The increased conditionality and sanctions regime in place since late 2012 poses questions about the way that jobseekers engage with Jobcentre Plus. Alongside the risk that sanctions may fall disproportionately on vulnerable people who are simply unable to meet conditionality²⁷, including those with 'mental and behavioural disorders'²⁸, research by DrugScope²⁹ suggests that one effect has been to make jobseekers suspicious of the motives of Jobcentre Staff. DrugScope (with Homeless Link) has previously submitted³⁰ that this may, in fact, be minimising engagement with Jobcentre Plus and reducing disclosure of drug and/or alcohol use.
- 20. The process of welfare reform since 2010 has taken various forms. Highlighted in the Draft Strategy is the introduction of Universal Credit, with the stated ambition of making work pay. Universal Credit has many positive features and will, as the Draft Strategy indicates, improve work incentives for some households. However, it will not do so for a significant minority, and there will be some households, including those with children, who will lose financially³¹. Changes to the way the work allowance is calculated may further erode work incentives, and sub-inflation increases in 2014-15 and 2015-16 may mean that the impact of Universal Credit may be less positive than originally anticipated³².

²⁴ Ibid

²⁵ BMJ 2014;348:g2274

²⁶ For example, see http://lespn.files.wordpress.com/2014/02/flexible-support-fund-in-london-2011-2013-list-of-grants.ndf

²⁷ http://ssac.independent.gov.uk/pdf/universal-credit-and-conditionality.pdf

²⁸ www.gov.uk/government/uploads/system/uploads/attachment_data/file/295384/foi-79-2014.pdf

²⁹ Ibid

³⁰ http://homeless.org.uk/sites/default/files/As%20Sent%20Final.pdf

³¹ www.ifs.org.uk/bns/bn116.pdf

³² www.resolutionfoundation.org/press/UCraid

- 21. We welcome the review into the role of zero hour contracts and share the widespread concerns that they may be open to abuse and are disproportionately loaded in favour of employers. However, we observe that for some people, they can play a role in easing the move into the paid, open job market and are sometimes used in this way by specialist employment support providers and social enterprises working with disadvantaged jobseekers.
- 22. Many (but not all) people with histories of substance use who enter employment are aiming to build or rebuild a career from a relatively low position in the labour market. Raising the Personal Tax Allowance to £10,000 is welcome, although we observe that many low-paid individuals and households were below the previous income tax threshold in any case, including around six out of 10 working households likely to be in future receipt of Universal Credit³³ this is likely to include many people with histories of substance use who are entering or re-entering the job market. Consequently, much of the benefit of this increase goes to higher earners, while recipients of Universal Credit (who are likely to be comparatively poorer) face a marginal effective tax rate (METR) in excess of 70%³⁴. While this may represent an improvement over the often complex and sometimes higher levels of METR under the existing system, it may suggest that alternative methods would have been more effective in lifting low-paid households with children out of poverty.

If you would like to discuss the content of this submission further please contact

- Paul Anders, Senior Policy Officer, DrugScope paul.anders@drugscope.org.uk
- Oliver Standing, Policy and Projects Coordinator, Adfam <u>o.standing@adfam.org.uk</u>

May 2014

³³www.resolutionfoundation.org/media/media/downloads/Resolution_Foundation_Budget_Reaction.pdf 34 www.ifs.org.uk/bns/bn116.pdf