



Tackling child and family poverty through a place-based lens

Sue Jarvis Eustace de Sousa Dave Bradburn Matt Ashton Insights from Cheshire and Merseyside

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Tackling child and family poverty through a placebased lens: Insights from Cheshire and Merseyside

Key takeaways

- 1. Child and family poverty in the UK has reached critical levels, with 4.5 million children living in relative poverty and 3.1 million in deep poverty. The drivers are complex and multifaceted, including structural issues such as welfare reform, insecure work, and rising housing costs, all of which have far-reaching consequences for children's health, education, and life chances as well as for the wider economy.
- Child poverty is not inevitable and has been reduced in the past through sustained, coordinated policy interventions, such as tax credits and support from Sure Start centres. However, progress has been undermined by national policy shifts, including austerity and welfare reforms, which disrupted continuity and weakened long-term impact.
- 3. This policy briefing explores innovative work in Cheshire and Merseyside, where the *Champs* public health collaborative has led a systems-based, place-focused approach to tackling child and family poverty. The case study illustrates how local public health systems with their sub-regional reach are well-placed to lead integrated, cross-sector responses to complex challenges that straddle multiple policy areas.
- 4. The Cheshire and Merseyside child poverty framework provides a shared understanding of the nature of the challenge and outlines tangible actions. The framework is structured around three core pillars: maximising household income, supporting families, and creating inclusive places, illustrating how local systems can co-ordinate strategic efforts around shared objectives. Overseeing this is a multi-sector leadership group including local government, the voluntary sector, academics and the NHS.
- 5. With the Government's Child Poverty Task Force due to report in Autumn 2025, the Cheshire and Merseyside model offers a compelling example of how place-based, systems-led collaboration can inform a national Child Poverty Strategy that aligns local innovation with long-term structural reform.

1. Introduction

Child and family poverty is one of the most urgent social challenges facing the UK, both as a moral imperative and as a significant barrier to meeting the country's ambitions for economic growth and national renewal. Growing up in poverty harms children's education, health and wellbeing, ultimately limiting their life chances and opportunities. Poverty also creates additional demand on public services and the welfare system, while reducing potential revenue to the public purse. In total, the Child Poverty Action Group estimates that child poverty costs the country around $\underline{\text{£39.5 billion a year}}$. But child poverty is not inevitable and can be reduced through sustained, coordinated policy interventions.

This policy briefing examines how organisations across Cheshire and Merseyside are addressing both the root causes and visible impacts of child and family poverty through a systems-based, place-focused approach. This case study presents a model of integrated local action grounded in evidence, collaboration, and shared responsibility across sectors.

2. The National Picture – a Crisis in Numbers

The latest Government statistics show that child poverty is becoming more widespread and entrenched (Department for Work and Pensions, 2025). In 2024, 4.5 million children in the UK – one in three of all children - were living in relative poverty after housing costs, an increase of 100,000 from the previous year. Significantly, 72% of children living in poverty are in working families, indicating that employment alone is not sufficient to lift families out of hardship. Additionally, 44% of these children live in households where someone is disabled, and 48% are in families where the youngest child is under five, highlighting the added vulnerabilities of these groups. The number of children in deep poverty defined as living in households with income below 50% of the median after housing costs – has risen to 3.1 million, up from 2.9 million the previous year (Joseph Rowntree Foundation, 2025).

The drivers of child and family poverty are complex and multifaceted. Child poverty rates are generally higher in urban areas, but there are also regional differences, with areas such as the North East, North West and South Wales particularly badly affected. One of the most significant factors is welfare reform policy, particularly the two-child limit on Universal Credit and tax credits, which has been identified as a major contributor to rising child poverty. Removing the limit could lift up to 350,000 children out of poverty. Housing costs also play a critical role, as rising rents and insufficient housing support are pushing more families below the poverty line. According to the Work Foundation's Insecure Work Index, around one in five UK workers – approximately 6.2 million people - are trapped in severely insecure work, characterised by unpredictable hours, low pay, and limited rights. This insecurity disproportionately

affects young people, women, ethnic minorities, and disabled workers, compounding the challenges faced by families already at risk. Additionally, the ongoing cost of living crisis, marked by inflation and stagnant wages, has further eroded real incomes, disproportionately impacting low-income households and deepening existing inequalities.

Failing to tackle child and family poverty has far-reaching consequences for children's health, education, and future opportunities (UNICEF, 2024). Children growing up in poverty are more likely to experience chronic stress, food insecurity, unstable housing, and limited access to enriching educational and cultural opportunities – all of which can hinder cognitive development and emotional wellbeing from an early age. This poverty has long-term consequences such as reduced educational attainment and limited employment opportunities, which can perpetuate the cycle of poverty into adulthood (Joseph Rowntree Foundation, ibid).

A recent report from the Child of the North consortium highlights that persistently disadvantaged children leave school almost two years behind their peers (N8 Research Partnership, 2024). Only 40% of the most disadvantaged pupils meet expected attainment levels, a stark indicator of systemic inequality. Schools are increasingly stepping in to fill the gaps left by inadequate social support – providing food, clothing, and emotional support – but this diverts resources from their core educational mission and places unsustainable pressure on staff.

Health outcomes are similarly affected. The Royal College of Paediatrics and Child Health (RCPCH) reports widespread concern among paediatricians about the impact of poverty on child health (RCPCH, 2017). Children from low-income families are more likely to suffer from chronic illnesses such as asthma and obesity, experience poor mental health, and face developmental delays. These health disparities not only affect quality of life but also limit educational engagement and long-term life chances.

The cumulative effect is a cycle of disadvantage: poor health and education outcomes in childhood reduce opportunities in adulthood, perpetuating intergenerational poverty. This cycle doesn't just harm individuals, it imposes a heavy burden on the wider economy through lost tax revenues and increased demand for public services (Stewart et al., 2023). Eliminating child poverty, they argue, would not only transform lives but also strengthen the economy through a more skilled workforce, higher tax receipts, and reduced public expenditure.

3. Policy Responses

Policymakers face the dual challenge of addressing the structural drivers of child and family poverty - such as income inequality and unaffordable housing - and the policy gaps that allow these conditions to persist across generations. Disruptive policy churn can limit progress on longterm challenges. Between 1997 and 2010, relative child poverty fell by around 10 percentage points, largely due to sustained investment in social security, tax credits, and supportive initiatives such as the National Minimum Wage and Sure Start centres (Joyce and Sibieta, 2013). However, policy shifts introduced by the coalition government removed the statutory obligation on local authorities to eliminate child poverty and ended ringfencing for Sure Start, undermining the long-term success of these efforts. This was compounded by the introduction of restrictive welfare reforms in 2016 significantly increasing hardship for the most vulnerable families, cuts to local government funding leading to reductions in the health visiting and school nursing workforces, and high demands on

community and voluntary services at a time when the sector's funding was being reduced.

In 2024, the UK Government established a <u>Child Poverty Taskforce</u>, bringing together expertise from within and external to government to develop a cross-departmental strategy aimed at tackling the root causes of child poverty and improving life chances. Co-led by the Secretaries of State for Work and Pensions and Education, the strategy was due in spring 2025 but has been delayed until autumn, prompting criticism from charities and local leaders who warn this delay risks worsening outcomes for thousands of children.

In the absence of national leadership, local areas are stepping up. For example, in 2024, the North East Combined Authority launched the UK's first Child Poverty Reduction Unit. The initiative includes a £50 million employment support package, a childcare grant, free after-school and breakfast clubs, and £1 million in funding for grassroots antipoverty efforts. In Wales the Child Poverty Strategy focuses on income maximisation, affordable childcare, and communitybased support, grounded in children's rights. These local efforts reflect a growing recognition that tackling poverty requires place-based, multi-agency collaboration tailored to community needs.

4. Tackling child and family poverty in Cheshire and Merseyside

This case study highlights innovative work underway in Cheshire and Merseyside, where local public health leaders have adopted a bold, systems-based approach to reducing child and family poverty. In early 2024, concerned by the worsening impact of poverty on children's outcomes and local services, the nine local authority Directors of Public Health in Cheshire and Merseyside and the ICB's Director of Population Health launched a coordinated effort on child and family poverty through their <u>Champs Public Health</u> <u>Collaborative</u>. This work was in three phases.

1. Rapid Situational Analysis

The analysis drew on national and local data, stakeholder interviews, and a stock take of existing initiatives across Cheshire and Merseyside, with input from a multidisciplinary steering group comprising public health experts, directors of children's services, academics, and voluntary sector representatives. Establishing a robust evidence base enriched by external expertise was seen as vital to strengthening the policy development process.

Key findings included:

- Over 100,000 children in the region live in relative low-income households.
- Poverty rates worsened between 2021/22 (when they were better than the England average) and 2022/23 (by which point they were worse than the England average).
- Disproportionate impacts were observed among lone-parent families, ethnic minorities, and children with disabilities.
- 60% of children in poverty are in working households, highlighting the issue of in-work poverty.

The analysis revealed that child poverty was exerting growing pressure on local services across Cheshire and Merseyside, as rising levels of deprivation translated into higher demand for health, education, and social care support. Schools were increasingly stepping in to meet basic needs – such as providing food and clothing – diverting resources away from core educational priorities. Health services reported elevated rates of infant mortality, obesity, dental decay, and mental health issues among children in low-income households. These compounding pressures not only added strain to already stretched services but also highlighted the urgent need for a co-ordinated, preventative approach to reduce long-term demand and improve outcomes.

Public health leaders in Cheshire and Merseyside are committed to the Marmot principles and reducing child poverty is an identified priority in some local authorities and community programmes. However, the absence of a co-ordinated strategy across the region meant opportunities to better co-ordinate programmes and networks to tackle child poverty were being missed. Similarly, there was no systematic sharing of research and evidence, best practice, innovation and knowledge mobilisation. To address these gaps, the report proposed a comprehensive anti-poverty framework, supported by a governance framework, strategic planning, and robust data infrastructure.

2. A Framework for Action

The Cheshire and Merseyside framework for action (Figure 1) enables local stakeholders to view child and family poverty not as a simple linear issue, but instead as the outcome of multiple, interacting systems. Structured around three pillars - maximising household income, supporting children, young people and families, and building inclusive places - it outlines 12 strategic priorities. The framework offers a shared understanding for policymakers and practitioners of the nature of the challenge and the tangible actions required to address it. Overseeing the work programme is a multi-sector governance structure.

A Framework for Action

System leadership and advocacy

- There is a shared and articulated C&M ambition on child and family poverty
- There is a C&M-wide plan and capacity to work towards the ambition

Pillar 1 Priorities

support

reduce poverty

cost-of-living crisis

Maximising household income

Families have more income and other

· Employers adopt best practices to

Families have affordable and quality

housing, childcare and transport

Households receive help with the

Pillar 2 Priorities

- Supporting children, young people and families
- There is targeted support in preconception, early years and school readiness – Best Start in Life
- There is extra support across schoolage particularly attainment and wellbeing
- There is additional support on transition from school to adult life (work/learning)

Pillar 3 Priorities

- Building inclusive places
- Families in poverty do not face barriers to access services
- Organisations make full use of Social Value and Anchor capabilities
- The unique role of the voluntary and community sector is supported

Aligned to C&M Health Care Partnership and All Together Fairer

Figure 1: Child and Family Anti-Poverty Framework, Champs Public Health Collaborative (2024)

At the heart of the approach is a focus on incorporating lived experiences and adopting collaborative, evidence-informed action across all sectors. This includes:

- Data-Driven Targeting: Using local poverty data to identify priority neighbourhoods.
- Integrated Services: Aligning health, education, housing, and welfare services to support families holistically.
- Community Engagement: Involving residents in co-designing solutions that reflect their lived realities.
- Policy Advocacy: Working with local authority leaders and MPs to push for reforms to national policies like the two-child limit for universal credit.

3. Moving into Action

The Champs Collaborative has integrated this framework into existing sub-regional health and wellbeing strategies. In particular, the work has been used in the All Together Fairer programme, with oversight through the Cheshire and Mersevside Health and Care Partnership and the All Together Fairer Board. The leaders and chief executives from all nine local authorities were engaged from the outset, with a unifying ambition established that no child in Cheshire and Merseyside lives in poverty. Relationships with employers and the voluntary and community sector and others such as employers will be key and the challenge for this work is balancing what can and should be done locally with what can be done effectively at a higher geographical footprint. The governance of the programme is therefore crucial to ensure stakeholders shape the work.

The framework is intended to provide a reference point, or constructive challenge, to local areas rather than a prescriptive model. Some areas, such as Sefton, have a dedicated Child Poverty Strategy, whilst others are strengthening existing strategies and programmes. These include school-based family support hubs, food security programmes, and targeted mental health services for children in

poverty. This work was boosted significantly in 2024/25 by the ICB awarding <u>funding to local areas</u> to take action on child poverty, such as the setting up of a Poverty Truth Commission and an oral health programme.

At the sub-regional level, the Champs Collaborative, through its All Together Fairer team, is actively advancing key priorities identified by the multi-disciplinary Advisory Group to drive maximum impact. These priorities include promoting the auto-enrolment for Free School Meals across all nine local authorities, boosting uptake of Healthy Start vouchers, and enhancing the effectiveness of social value and anchor institution programmes. While the Champs Collaborative provides coordination and momentum, the programme remains partner-led. For instance, the ICB is spearheading the work on social value, and the Directors of Children's Services are developing options for initiatives spanning the child and young person's life course.

5. From Local Innovation to National Strategy: Applying Systems Thinking

Child and family poverty in the UK remains a deeply entrenched and multifaceted crisis, with profound consequences for children's health, education, and life chances. While national policy responses have often been fragmented and short-term, local innovation – such as the Cheshire and Merseyside model – demonstrates what is possible when systems thinking, evidence, and place-based collaboration are brought together.

The model exemplifies how local systems can tackle complex social challenges when equipped with the right tools, data, and autonomy. By positioning child and family poverty as a collective responsibility, Champs has implemented a model of distributed leadership, empowering a broad network of local stakeholders to design and deliver context-specific interventions. Grounded in systems thinking, the approach acknowledges the interconnectedness of social determinants and the need for adaptive, cross-sector collaboration. It leverages the ability of local government and combined authorities to harness community insight and co-ordinate targeted delivery, aligning strategic capacity around a long-term vision.

The Cheshire and Merseyside model offers a blueprint for national application, but scaling up will require dismantling national policy silos, reforming funding mechanisms to incentivise collaboration, and investing in capacity-building to equip localities with the tools to lead change. The Government's Child Poverty Taskforce has a critical role to play in championing this shift by advocating for a cohesive, place-based strategy that puts children at the centre of system reform and drives measurable, long-term progress. A national child poverty framework grounded in systems thinking and co-production is vital to ensure that every child, regardless of where they live, has the opportunity to thrive.

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About the authors

Sue Jarvis is Co-Director at the Heseltine Institute for Public Policy, Practice and Place and a Fellow of the Academy of Social Sciences. Sue has a professional background in local government policy making and senior leadership experience of delivering public services, including complex programmes where activities are undertaken by partners across multiple agencies.

Eustace de Sousa is an Independent Consultant in Public Health and Honorary Fellow of the Royal College of Paediatrics and Child Health. He has held roles at a regional level in the North West for the NHS overseeing children's health and wellbeing and previously worked for Manchester City Council leading adult and children's social care, and neighbourhood services. He is currently a Non-Executive Director on the Board at Liverpool University Hospitals Foundation Trust.

Dave Bradburn is Director of Public Health for Wirral. He has over 30 years' experience of working in Public Health, within the NHS and local government. Dave is currently the lead Director of Public Health in Cheshire and Merseyside for Child Poverty and host Director for Champs.

Matt Ashton is Director of Public Health for Liverpool City Council and Honorary Professor, Institute of Population Health, University of Liverpool. Matt is currently the lead Director of Public Health in Cheshire and Merseyside for Strategic Partnerships, Communications, and Social Marketing, and co-chairs the sub regional All Together Fairer Partnership.

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Heseltine Institute for Public Policy, Practice and Place University of Liverpool 1–7 Abercromby Square Liverpool L69 7WY

www.liverpool.ac.uk/heseltine-institute

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