



Ending Child Poverty: making it happen

Response to the Child Poverty legislation
consultation

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Introduction

CPAG welcomes the Government's commitment to place the 2020 goal to eradicate child poverty into primary legislation. We believe that well designed legislation can play a major role in helping ensure eradicating child poverty is 'everybody's business'.

However valuable the 2020 legislation is, 2020 legislation is no excuse for a missed target to halve child poverty in 2010 and to do so would undermine the credibility of the 2020 legislation. **Meeting the 2010 target means investing in family incomes in budget 2009.**

The legislation could give a clear direction for policy and a mechanism for getting to the 2020 goal, but to be meaningful it is weakened by the suggestion of an 'affordability' proviso (para. 18). Such a proviso would allow a future Government to renege on these commitments. Despite potential fiscal concerns, there is no policy question about affordability question since other similarly wealth countries perform much better than the UK. **The Government should exclude reference to 'affordability' in its draft legislation.**

The legislation proposes a UK wide responsibility, but much of the consultation document (as is acknowledged) is England focused. Nearly one in five poor children live outside England and so the legislation and strategy needs to show a clearer proposal for how different tiers of government will work to achieve a shared objective. **CPAG suggests a responsibility for the UK Government to work with devolved administrations, and parallel arrangements put in place in Scotland, Wales and Northern Ireland for national authorities to report to the Assemblies and the Scottish Parliament.**

The rest of this submission is structured around the consultation questions.

1a – Does the 2020 vision, as set out in Chapter 2, capture the key areas where action is required to ensure the greatest impact on reducing child poverty?

1b – Are the building blocks the right ones to make progress towards 2020, including for those groups at particular risk of poverty?

The 2020 vision covers the broad areas CPAG believes should be addressed. The commitment is also an opportunity to link the UK child poverty ambitions with responsibilities under the UN Convention on the Rights of the Child and so we urge Government to echo the language of child rights in the legislation. CPAG will shortly publish *Ending Child Poverty: a manifesto for success* to mark the 10th anniversary of the commitment to eradicate child poverty, this lays out our views on what is required of policy to help reach 2020 and we will send this to the Child Poverty Unit when it has been published. In general, the vision should focus more than it does on poverty prevention as well as alleviation. There are several points arising from the vision and building blocks we wish to draw attention to:

Though the building blocks address (mostly) positive areas of policy development, **there is no focus on how greater public support will developed to support and**

sustain the necessary change. Also though the blocks are cross cutting, **much more should be done to demonstrate how policy from across government will be poverty proofed.** CPAG believes there is an important role for the Child Poverty Unit (and working with partners in the devolved administrations) to act as a hub to coordinate poverty proofing (there is also a role for the expert commission here).

Putting children first. The consultation rightly identifies the need to gear public services to tackle poverty. Currently policy driven by the desire to increase employment rates has often left children's needs as secondary. The child poverty legislation is an opportunity to ensure policy clearly puts children's needs first. In childcare policy, this means placing child development arguments ahead of simply increasing parental labour supply (which has led to more childcare but often of variable quality). In welfare reform, this should encourage policy makers to think again about creating more scope for conditions and sanctions which put child wellbeing at risk without good evidence (in the absence of other support) of positive impact on job entry.

Employment. The vision reiterates Government's view that work is the best route out of poverty (para. 26). As is implicitly accepted in the consultation, this mantra does not work for all families. Improving child wellbeing requires finding a way of tackling child poverty whilst giving parents time to parent. Non-working parents who are able to do so should certainly be provided with the choice and support to move into employment (including access to good quality childcare, overcoming discrimination and flexible working practices) but it is they who are best placed to judge what is best for their children.

Adequate incomes. It is welcome that Government accepts the case that financial support for those unable to work needs to be adequate to lift these families out of poverty (para. 30). Paragraph 30 is however ambiguous and phrased as an 'ambition'. Government needs to be clearer on this – safety net benefit rate is not only damagingly low (£60.50 as the single adult rate of income support, plus child payments) but it is illogical to set the safety net below the level of the poverty line when it is the official target to lift children above the poverty line. Government should commit (not just aspire) to increase the value of out of work incomes to at least the poverty line.

Public services. It is very welcome that the consultation document emphasizes the key role of public services. Currently too often children in poverty do less well in services which are described as universal – improving outcomes for children in poverty is vital. We are supportive of the concept of progressive universalism, to provide good quality, non stigmatised, support to all families whilst delivering the more to those children who need this most.

Ensuring tackling child poverty is everybody's business. The building blocks are very focused on public services. This emphasis is welcome but it does not engage adequately with the role of others who can affect families. Employers in particular receive little attention, despite the emphasis on work as a route out of poverty. There is also no mention of how the private market (for instance for fuel) can be made to work in the interests of low income consumers and of how regulators may work with the Child Poverty Unit to redress current disadvantage.

2a – Should the measure of success be expanded beyond relative income, combined low income and material deprivation, and persistent low income to also include absolute low income?

Relative income poverty

CPAG believes incomes should remain the central to measure of poverty: poverty is about more than incomes, but a lack of money is at its core. CPAG recently published *Coping with Complexity: child and adult poverty*ⁱ which analysed the different dimensions of poverty, alongside incomes, demonstrating the impact these dimensions have on child wellbeing. The building blocks outlined in the strategy are an opportunity to gear policy to take this wider view.

The Government continues to stick to the before housing cost definition even though the after housing cost measure is a better indicator of living standards and aligns more effectively to policy.ⁱⁱ CPAG would prefer reversion to using the after housing cost measure. We continue to be critical of the Governments failure to demonstrate that benefit rates are adequate to provide a decent minimum income standard, when the independent budget standards evidence shows these are inadequate.ⁱⁱⁱ

Persistent poverty

CPAG welcomes the proposal to include a measure of persistent poverty. Living below the poverty line for a long period of time, or having incomes which regularly fluctuate below the line undermines child wellbeing. We understand Government needs better data before setting this measure.

In recommending this proposal be developed by the expert Commission (para. 63) Government risks confusing the strategic role of Commissioners with the technical work of quantitative social scientists (who we hope will be represented but will not predominate). A better approach would be to ask for a recommendation from the Commission but provide it a research budget (or analysts) to obtain the necessary technical work to inform its judgement.

Material deprivation

CPAG support the use of the material deprivation measure, and urge more use is made of it to sell the public argument about the damage done by poverty and to show the material and participative dimensions of poverty which are so important to child wellbeing.

The original intent behind the index was that this would be rebased every 5 years (the index was first used in 2004/05). Though we understand Government is considering how to take this forward, we assume this will not now be in place for 2009/10. To keep both the spirit of the initial proposal and to ensure the ongoing relevance of the index, Government needs to rebase it urgently.^{iv}

We would like Government to clarify what 'approaching zero' means as its 2020 objective (para. 58).

Absolute low income

The case usually made for this measure is it helps track severe poverty, but the evidence does not suggest it does this very well (the absolute low income measure becomes irrelevant over time and the relationship between material deprivation and

apparently very low incomes is unclear). Neither is the absolute low income measure a particularly good indicator of children's life chances – the numbers fell over the 1980s when other indicators were rapidly worsening. The measure can also be confused with the more important relative low income measure and wastes time in unhelpful debates about the differences between 'absolute' and 'relative' measures.

We recommend Government ditch the absolute low income measure or at very least if it wishes to retain this measure refers to it as the 1999 baseline measure so that it is clear how dated this measure is.

It is however clearly important that the impact of policies on those at greatest risk of poverty (and of the greatest severity of poverty) is better understood. This objective could be achieved by different use of the existing material deprivation data and the proposed persistence measure.

Defining 'eradication'

Government suggests a range of 5-10 per cent on the relative low income measure, CPAG disagrees: one in ten children living in poverty is far too high. This formula is likely to mean attention will gravitate to the upper, not the lower end of the band. The reasons for this proposed range seem to be:

- Short run falls in income. This does suggest a non-zero end point, but to be convincing that needs to be backed with an analytical estimate of the extent of short run dips in and out of low income (which has not been made available).
- Sample limitations (particularly sample error), these are legitimate concerns and suggest a band of plus or minus 1 percentage point^v – it does not justify a 5-10% band (if further problems are suspected about the measure, the survey should be improved).
- Limitations of policy, but as the consultation document shows 5 per cent has been achieved elsewhere.

There is no persuasive technical justification for an upper band of 10 per cent and so this choice appears to reflect concerns about what policy can deliver. Experience in other countries shows that a 5 per cent rate is feasible and so this should be the objective in the UK.

If Government is concerned about short run changes in its target above 5% it could accommodate these within a 3 year rolling average based around a 5 per cent average.

2b – Will proposals to publish a strategy, informed by an expert child poverty commission, and proposals to monitor and report on progress, drive the action needed?

Child poverty strategy and UK reporting

We support the outline process of a three year rolling strategy, with annual reporting to Westminster Parliament (para. 72). As well as the strategy, **CPAG would like to see interim targets in place to help demonstrate the progress that is being made.** Interim targets have been a powerful driver of the falls in child poverty that have been made. We accept, however, there is a sensitive balance between

quantitative targets to demonstrate falling rates of child poverty, and a need to incentivise preventative strategies (such as public service investment) which may not pay off in a linear way. In the strategy, CPAG expects to see interim targets laid out alongside an explanation of the policy levers which will achieve this change.

The legislation should stipulate the main areas covered by the strategy. These areas should include details of the interim targets, how UK Government will work with devolved administrations, resource implications and the contributions of different government departments to the shared goal.

The expert child poverty commission

CPAG supports the establishment of an expert commission, such a commission could not only offer policy advice and critique but help get buy-in across public, voluntary and private sectors. Welcome as the Commission is, the model suggested in the consultation needs strengthening to allow it to fulfil this potential. The impact assessment implies core support for this volunteer committee of £20,000 (presumably for core and costs for four meetings per year) plus two policy posts as secretariat. No research budget is proposed and it is not clear what public role (for instance calling for evidence) the Commission will have. By contrast the successful and well embedded Low Pay Commission lists a secretariat of 8 and has the capacity to commission and conduct in-house research.^{vi}

CPAG urges the Commission is given a clear formal role in the legislation, a research budget and the ability to call for submissions. We also urge that the Government be required to address Commission recommendations in its reporting, and to either accept these or explain why these have been rejected.

The composition of Commissioners should reflect a wide range of groups, including employers, trade unions, those with experience of poverty and those with experience of governance structures across the UK and in each of the devolved nations. To help develop this strategy from the off, the Commission should be established in a shadow capacity if necessary *before* Royal Assent (as occurred with the Committee on Climate Change).

A stronger Commission than appears proposed could not only help develop a better national strategy, but could help ensure buy-in and, if given the power to look at individual departments, could have a key role in poverty proofing departmental contributions.

Driving action across the UK

The consultation deals with a UK target, but many of the levers to achieve the goal are devolved and out of its remit. We understand it is inappropriate for the legislation to prescribe the actions of the administrations in Wales, Scotland and Northern Ireland^{vii} and so better co-ordination of effort is required.

The consultation notes the inter-dependency of devolved and non-devolved policy across the UK and argues the need for complementary strategies to be in place (para. 69). Given that each of the administrations supports the 2020 goal, this co-ordination should be possible and CPAG would like to see the mechanisms for developing this more clearly laid out. In particular:

- The UK Government should have a duty within the legislation to consult with administrations in Wales, Scotland and Northern Ireland whilst preparing the UK strategy;
- Devolved administrations in Wales, Scotland and Northern Ireland should also put themselves under a duty to:
 - draw up national strategies for Wales, Scotland and Northern Ireland and to report progress on these to their own Parliament or Assembly;
 - to report progress to the UK Government and engage in the wider UK strategy.

The first of these requirements should be specified in the UK legislation, the second is a matter for national governments. Strategies are already in place in each area, and the Welsh Assembly Government has shown a lead by introducing domestic legislation on child poverty, with a reporting framework to the Assembly.^{viii} The Child Poverty Unit has already established itself in a cross cutting role at the UK level, we would like to see it do similar activity as a stronger bridge between the UK level and its different constituent national authorities.

3 – What option (or combination of options) identified in Chapter 4 would best support local authorities and delivery partners and drive local action to eradicate child poverty?

Local delivery is vital important to the wellbeing and life chances of all children and so we welcome the emphasis on this in chapter 4. Equally local services operate in a national context of law and fiscal decisions and so better delivery cannot replace central government focus on child poverty.

The structures described in Chapter 4 are primarily English and so the public duties described imply a similarly English focus (as do the comments here). The reach of the target is UK wide: a mechanism is needed which reflects differences in governance structures and links the work going on across the UK.^{ix} The role of the Government Offices is not spelt out, though these bodies are key to agreeing local area agreements and should play a strategic regional role in co-ordinating action.

Local action and local poverty proofing is important to tackling child poverty and so CPAG welcomes stronger duties on local bodies to tackle deprivation. Much good work and local leadership is going on already but we need to move beyond a 'coalition of the willing' on child poverty. Some may regard duties as burdensome, but the importance of the task justifies the clearer focus a duty may deliver. A duty will not be burdensome to authorities already leading and championing tackling child poverty (for instance through NI116), since they will be able to demonstrate the work already going on but should act as an encouragement to authorities or public bodies not yet focused on this area.

Though we are recommending Government takes new powers to help support local authorities and their partners to prioritise child poverty, the concomitant responsibility from central government is to put in place the support local actors need, through adequate resourcing and sharing good practice (including through welcome mechanisms like the Centre for Excellence and Outcomes for Children and Young People). There are also already mechanisms in place which could be better used in the child poverty agenda. In particular we recommend use of the National Audit

Office to help poverty proof national departments (for instance exploring where funding goes), and existing inspectorate regimes could be developed to emphasize the importance of tackling poverty.

The possible duties

As well as a clearer focus for all public bodies, a duty should bring greater support. Where possible we suggest existing mechanisms should be 'bent' towards the child poverty agenda (for instance making more use of the economic wellbeing aspect of the well embedded every child matters agenda).

The consultation document notes the Government Equalities Office proposed duty to narrow socio-economic gaps (para. 83) which appears to have overlap with the proposed child poverty duties. Government should clarify the difference between these possible duties.

Of the three permutations suggested **CPAG is most supportive of a statutory target on reducing child poverty for local areas**, we would also like to see local public bodies having responsibilities to ensure they support local authority activity on tackling child poverty (we recommend this would apply to local strategic partnership members, and particularly to health, regeneration, the Learning and Skills council and Jobcentre Plus).

Of the three proposed options:

Option 1: introducing a duty on local authorities to promote action to tackle child poverty: e.g. to assess the local child poverty situation; implement a strategy; evaluate progress.

We accept the Government's view that this option would help ensure local authorities prioritise child poverty but it is not then clear what action would follow or how change would be evaluated. If this option were pursued, the duty should be clear on the follow through is expected of the local authority. Option 1 also leaves the local authority responsible alone, though many of the levers which can affect child poverty are held by other partners.

Option 2: introduce duty on all local public bodies to have regard to child poverty when exercising functions.

This option could help facilitate all local partners to work together on this cross cutting issue and prevent child poverty being 'parked' as a children's services issue.

Government discusses including both options 1 and 2 together or as separate options. If Government settles on either of the first options, there is merit in doing both to ensure that not only are local authorities focused on child poverty but they have the active engagement and support of key partners.

Option 3: require local authorities to set a specific local child poverty target.

CPAG is most supportive of option 3. We would like to see this implemented with regard to how local public bodies could be required or encouraged to co-operate with the local authority in taking this duty forward, suggesting a mix of options 2 and 3.

The NI116 measure

Part of the support local authorities and public bodies need in addressing child poverty is more consensus on what the local target is. The current NI116 indicator measures children in out of work families only, the limitations (not capturing in-work poverty) and perversity (potentially discouraging take up work) are clear. The Child Poverty Toolkit^x which CPAG and Inclusion have developed proposes a better measure which also includes children in families in low pay work. **We understand Government intends to improve NI116, we support this and hope this happens quickly.** Given the limitations of NI116, using a basket of indicators alongside this makes good sense and should help engage a wider set of local partners.

The problem with local data and target setting is these are heavily reliant on administrative data of benefit receipt. The fit between these proxy indicators and the national survey measure is imperfect and makes it hard for local actors to see how their work fits in to the national ambition. Having set up an expert group to consider persistent poverty, **we suggest Government extends its remit to suggest improvements to NI116 to better link with the national measure of child poverty.**^{xi}

Conclusion

CPAG welcomes the proposal to put the 2020 ambition to eradicate child poverty into legislation. We welcome much within the consultation document to achieve this. However to strengthen this:

- We do not see a need for the legislation to be subject to an 'affordability' proviso which leaves a future government able to easily walk away from the pledge;
- The arrangements for developing the strategy across the UK need specifying further. This is partly the job of the UK Government and partly that for the devolved administrations;
- A possible end point of one in ten children living in poverty is too high, 5 per cent has been achieved elsewhere and so should be the UK aim. The persistent poverty indicator would be a welcome addition;
- The expert commission is welcome but needs more teeth and resources than the consultation implies if it is to be an active player in helping develop policy;
- A failure to go further in budget 2009 to meet the 2010 target would undermine the credibility of the 2020 legislation.

About CPAG

CPAG promotes action for the prevention and relief of poverty among children and families with children. To achieve this, CPAG aims to raise awareness of the causes, extent, nature and impact of poverty, and strategies for its eradication and prevention; bring about positive policy changes for families with children in poverty; and enable those eligible for income maintenance to have access to their full entitlement. If you are not already supporting us, please consider making a donation, or ask for details of our membership schemes, training courses and publications.

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Notes:

ⁱ M Tomlinson and R Walker, *Coping with complexity: child and adult poverty*, Child Poverty Action Group, 2008, see http://www.cpag.org.uk/publications/extracts/coping_with_complexity.pdf

ⁱⁱ using a before housing cost measure it would (in principle at least) be possible to lift a family in a high rent area out of income poverty through a large housing benefit payment, even though this would make no improvement to the children's living standards and would mean high work disincentives

ⁱⁱⁱ J Bradshaw, S Middleton, A Davis, N Oldfield, N Smith, L Cusworth and J Williams, *A Minimum Income Standard for Britain: what people think*, Joseph Rowntree Foundation, 2008

^{iv} This might or might not imply a change in the questions asked but would demonstrate these are relevant. One method which could be employed would be to use the consensual approach developed for the Poverty and Social Attitudes Survey. Instead of a scientific decision on what constituted deprivation, the PSE used a survey of public attitudes to determine what were considered necessities by most people. The value of this democratic method is precisely that it could be used to support a stronger public narrative about why it is so important to tackle child poverty.

^v See DWP, *Households Below Average Incomes Series, 2006/07*, National Statistics, 2008

^{vi} See National Minimum Wage, Low Pay Commission report, March 2008,

http://www.lowpay.gov.uk/lowpay/report/pdf/2008_min_wage.pdf

^{vii} At least without the permission of the national Parliament or Assemblies.

^{viii} See <http://www.assemblywales.org/bus-home/bus-guide-docs-pub/bus-business-documents/bus-business-documents-doc-laid/ld-7406-e.pdf?langoption=3&ttl=MS-LD7406%20-%20Proposed%20Children%20and%20Families%20%28Wales%29%20Measure%20>

^{ix} Particularly the more advanced work on public duties in Wales; and the implications of the concordat between Scottish Government and the Convention of Scottish Local Authorities (COSLA).

^x See www.childpovertytoolkit.org.uk

^{xi} One key improvement would be to provide the same child poverty data available nationally at the local authority level. Though locally representative data would require an increase in the Family Resources Survey sample size (currently representative only at the region), this has already been done for the survey in Northern Ireland – see http://www.dsdni.gov.uk/ch4_children-3.doc