

Background paper on the child poverty cross-cutting theme

Overview

This is a background paper for the child poverty cross-cutting theme that the Centre of Excellence and Outcomes in Children and Young People's Services (C4EO) will take forward in 2008 and 2009. The National Foundation for Educational Research (NFER) will lead the work on the theme on behalf of C4EO.

For more information please visit www.C4EO.org.uk

The scale of child poverty

On 18 March 1999, Prime minister Tony Blair promised to eradicate child poverty 'within a generation'. Between 1979 and the mid 1990s, the number of children living in poor households had more than doubled, and by the time Tony Blair made his promise, there were 3.4 million children living in poverty.

The Labour Government then set a series of interim targets towards their goal of eradicating child poverty, and progress towards meeting these targets has been slow as the following figures show ⁽¹⁾:

- The first target period was 1998-99 to 2004-05, with an interim target to reduce child poverty by a quarter from 3.4 million to 2.55 million.
- In fact it went down to 2.7 million, so 700,000 children were taken out of poverty rather than 850,000.
- In the second target period (lasting to 2010-11) the number of children living in poverty would need to drop another 1 million to 1.7 million in order to meet the target of halving child poverty.
- However, in 2005-6 it rose again to 2.8 million, reducing the drop since 1998-99 to 600,000.
- The most recent Households Below Average Income (HBAI) figures were released on 10 June 2008. These figures show that the number of children living in poverty rose by 100,000 in 2006-07 to a total of 2.9 million. Thus, the number of children living in poverty has risen for a second consecutive year to April 2007.

This analysis shows that the Government faces the very ambitious target of reducing the number of children living in poverty by 1.2 million between now and 2010-11 if it is to stay on track with respect to its stated objectives.

⁽¹⁾ Joseph Rowntree Foundation (2008). *Joseph Rowntree Foundation response to HBAI figures announced on 10 June 2008* [online]. Available: <http://www.jrf.org.uk/pressroom/releases/100608.asp> [23 June, 2008].

What is child poverty?

'Child poverty' is primarily defined in terms of income. For the purpose of the targets set out above, it is measured through the number of children living in households below 60 per cent of contemporary median equivalised household income. This is known as the relative low income indicator, which looks at whether the poorest families are keeping pace with the growth of incomes in the economy as a whole.

A child is understood as being an individual aged under 16, or an unmarried 16 to 18 year old in full-time education.

In a consultation exercise carried out in 2002-03, *Measuring Child Poverty* ⁽²⁾ set out a new tiered approach to measuring child poverty in the UK over the long-term. This encompasses the relative low income indicator used to determine progress against the target to eradicate child poverty, together with two associated indicators used by the Government for monitoring purposes:

1. absolute low income: this indicator measures whether the poorest families are seeing their income rise in real terms. The level is fixed as equal to the relative low-income threshold for the baseline year of 1998-99 expressed in today's prices; and
2. material deprivation and low income combined: this indicator provides a wider measure of people's living standards. This indicator measures the number of children living in households that are both materially deprived (i.e. lacking certain goods and services) and have an income below 70 per cent of contemporary median equivalised household income.

The policy landscape today

Although – or indeed, because – progress on meeting child poverty targets has been slow, the Government has recently made a number of significant commitments towards helping children and their families out of poverty. This is borne out both by the re-organisation of policy-making responsibility in this area as well as by a series of new policy initiatives. The creation of the Department for Children, Schools and Families (DCSF) in June 2007 signalled a new, integrated approach to serving the needs of children and young people. The Department's work programme for 2008-09 is very explicitly centred on the overarching goal of eradicating child poverty, as evidenced by their seven Departmental Strategic Objectives (DSOs) ⁽³⁾.

Following this, in October 2007, the Government set up a joint Child Poverty Unit to drive an integrated strategy across the Treasury, the Department for Work and Pensions (DWP) and the DCSF. Cross-departmental policy levers include: improving children's life chances through children's services; tackling deprivation in communities; providing financial and material support (including housing benefit and financial advice); and increasing employment and raising incomes. There is a strong expectation within central government that local authorities should also play a key role in delivering on these child poverty strategies. At the same time, the Government announced a new Child Poverty Public Service Agreement (PSA), reaffirming the commitment to halve child poverty by 2010. Targets

⁽²⁾Department for Work and Pensions (2003). *Measuring Child Poverty*. London: DWP. Also available at: http://www.dwp.gov.uk/ofa/related/final_conclusions.pdf [23 June, 2008].

⁽³⁾ Department for Children, Schools and Families (2008). *Analysis and Evidence Strategy*. London: DCSF. Also available at: [http://www.dfes.gov.uk/research/data/general/Analysis%20and%20Evidence%20Strategy%20\(AES-2008\).pdf](http://www.dfes.gov.uk/research/data/general/Analysis%20and%20Evidence%20Strategy%20(AES-2008).pdf) [23 June, 2008].

associated with this PSA include raising the achievement of all children, narrowing the achievement gap and making sure that all children are on the path to success. Furthermore, in December 2007, the DCSF's *Children's Plan* announced a new aim of 'making England the best place in the world for children and young people to grow up' and set out the ten year plan to achieve this aim ⁽⁴⁾.

More recently, in March 2008, the DCSF, DWP and HM Treasury jointly published *Ending Child Poverty: Everybody's Business* ⁽⁵⁾. This document sets out the Government's detailed strategy to tackle child poverty around the four cross-departmental policy levers described by the Child Poverty Unit.

In the longer term, the Government plans to invest an additional £10 million in 2008-09, £35 million in 2009-10 and £80 million in 2010-11 for research and to establish new pilots and approaches to inform and shape policy in the next decade.

London has markedly higher levels of child poverty compared with the rest of the country (41 per cent of all children as opposed to 29 per cent across Great Britain) and the DWP has also recently announced a working group to tackle this, sharing the concern of the London Child Poverty Commission set up in 2006 by the then Mayor of London and London Councils.

Finally, it is worth adding that a report from the House of Commons Work and Pensions Select Committee ⁽⁶⁾, also published in March 2008, made a number of important points in relation to the Government's anti-poverty strategies, including:

- 2010 target could be met but only with further investment.
- Public sympathy for the poor is low: Government should address this.
- Good quality childcare is instrumental to a good start in life and essential to getting parents, especially lone parents, to work.

Informing policy: the voice of stakeholders, the role of research

The political will to tackle child poverty in this country is backed by a well-established culture of activism by third sector organisations as well as by extensive research in the field. The Campaign to End Child Poverty is made up of around 110 organisations (children's charities, child welfare organisations, social justice groups, faith groups, trade unions and so on), with the aim of informing the public as well as promoting the cause to the Government and fostering commitment across sectors ⁽⁷⁾. In a recent response to the release of the most recent HBAI figures, they say that the £1 billion already committed in this year's Budget will help to lift a further 250,000 children out of poverty but that an additional 3 billion investment in tax credits and benefits is needed in order to meet the 2010 target ⁽⁸⁾. Separately, in a

⁽⁴⁾ Department for Children, Schools and Families (2007). *The Children's Plan*. London: DCSF. Also available at: http://www.dcsf.gov.uk/publications/childrensplan/downloads/The_Childrens_Plan.pdf [23 June, 2008].

⁽⁵⁾ Department for Children, Schools and Families, Department for Work and Pensions (DWP) and HM Treasury (2008). *Ending Child Poverty: Everybody's Business*. London: HM Treasury. Also available at: http://www.hm-treasury.gov.uk/media/3/F/bud08_childpoverty_1310.pdf

⁽⁶⁾ Great Britain. House of Commons. Work and Pensions Select Committee (2008). *The Best Start in Life? Alleviating Deprivation, Improving Social Mobility and Eradicating Child Poverty. Volume I Report Together with Formal Minutes*. (Second Report of Session 2007-08). London: The Stationery Office. Also available at: <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmworpen/42/42.pdf> [23 June, 2008].

⁽⁷⁾ End Child Poverty (2008). *End Child Poverty: Who are we?* [online] Available: <http://www.endchildpoverty.org.uk> [23 June, 2008].

⁽⁸⁾ End Child Poverty (2008). *HBAI Report: End Child Poverty Disappointed as Child Poverty Figures Rise 10.06.08* [online]. Available: <http://www.endchildpoverty.org.uk/news/press-releases> [23 June, 2008].

policy briefing on education and child poverty published in March 2008, the Child Poverty Action Group made the point that the widening educational gap between disadvantaged children and their peers is due at least in part to school costs and local charging policies and that this has not properly been addressed by central government (⁹).

There is also a great deal of research currently conducted in this area. The annual report on the state of poverty and social exclusion in the United Kingdom, for example, is published by the Joseph Rowntree Foundation and the New Policy Institute and examines progress made on reducing poverty and social exclusion (¹⁰). Other research recently published includes, for example, a survey of public attitudes to child poverty (published by the Child Poverty Unit)(¹¹), research into child poverty and education inequalities (published by the Child Poverty Action Group - CPAG)(¹²) and a report on tackling worklessness and child poverty in London (undertaken by the Centre for Economic and Social Inclusion on behalf of the London Child Poverty Commission)(¹³).

In conclusion, although the Government has clearly reaffirmed its commitment to meeting its child poverty targets and has developed both the organisational capacity and the political impetus to do so, the numbers of children still in poverty remain high and stakeholders believe that the 2010 target is unlikely to be met on current spending levels.

⁹ Preston, G. (2008). *2 Skint 4 School: Time to End the Classroom Divide*. (CPAG Policy Briefing March 2008). London: CPAG. Also available at: http://www.hm-treasury.gov.uk/media/3/F/bud08_childpoverty_1310.pdf [23 June, 2008].

(¹⁰) Palmer, G., MacInnes, T. and Kenway, P. (2007). *Monitoring Poverty and Social Exclusion 2007*. London: Joseph Rowntree Foundation. Also available at: <http://www.jrf.org.uk/bookshop/eBooks/2152-poverty-social-exclusion.pdf> [23 June, 2008].

(¹¹) Department for Work and Pensions (2008). *Public Attitudes to Child Poverty* [online]. Available: <http://www.dwp.gov.uk/asd/asd5/summ2007-2008/PublicAttitudestoChildPoverty.pdf> [23 June, 2008].

(¹²) Hirsh, D. (2007). *Chicken and Egg: Child Poverty and Educational Inclusion*. CPAG Policy Briefing September 2007. London: CPAG. Also available at: <http://www.cpag.org.uk/campaigns/education/EducationBriefing120907.pdf> [23 June, 2008].

(¹³) London Child Poverty Commission (2007). *Tackling Worklessness and Child Poverty in London*. London: London Child Poverty Commission. Also available at: <http://213.86.122.139/docs/tackling-worklessness.pdf> [23 June, 2008].