

# Ending child poverty: making it happen



Child Poverty Unit

HM Government



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# Ministerial foreword

This Government is committed to social justice: the opportunity for everyone to make the most of their potential, where people are not held back by where they come from and everyone is supported to succeed. This requires shaping a fairer society by tackling the causes and consequences of poverty – so all children have a good start in life, enjoy a fulfilling childhood and have the capabilities and opportunities to flourish.

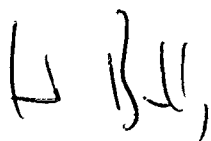
That's why in 1999, we set out an ambitious pledge to end child poverty for good by 2020. It is the right commitment and one that will ensure that no child's standard of living or future life chances falls far behind that of their peers. It is a commitment that has driven considerable progress across Government: the OECD recently reported that inequality in the UK has fallen faster than in other countries<sup>1</sup>; 600,000 children have been lifted out of poverty to date; and 6 million families and 10 million children are receiving tax credits. Now we are going further by enshrining our commitment in legislation, because we are unflinching in our belief that a fairer and more equal society is what we are in government to achieve.

There is growing agreement across the UK that child poverty is unacceptable. Prolonged periods of poverty and material deprivation do the most damage to children's outcomes, as when children fall behind early on it becomes increasingly difficult for them to participate in society. The evidence shows that this is bad for us all. By releasing untapped potential, raising productivity, reducing burdens on public services and helping communities to flourish, a fairer society will bring benefits for everyone.

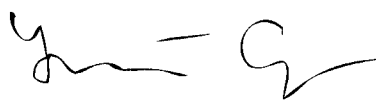
It is right, therefore, to cement in legislation a commitment which will ensure that these unjust inequalities are ended and that everyone has the opportunities to succeed in life. Legislation will set a requirement for government to report annually on progress. It will provide a framework to guarantee that we all make clear our contributions to ensuring that all children can succeed whatever their background. It will ensure everyone plays their part – from national governments, to regional and local levels – to ensure that we improve children's opportunities and reduce inter-generational poverty.

Child poverty is everybody's business. If we are to meet our shared challenge, we must all accelerate progress and be bold in developing new approaches in every community across the country. We have high expectations of action by local authorities and their partners, working with families themselves, and legislation will enhance our support so we can build on the excellent work to date.

We are looking forward to working with stakeholders throughout this consultation to benefit from your expertise and insights as we move forward with this ground-breaking legislation.



Rt Hon Ed Balls MP  
Secretary of State for  
Children, Schools & Families



Rt Hon Yvette Cooper MP  
Chief Secretary  
to the Treasury



Rt Hon James Purnell MP  
Secretary of State for  
Work & Pensions



# Chapter 1: Introduction and summary

- 1.** Succeeding in the global age requires investing in the future now and ensuring that children and young people are not held back from achieving their true potential. As set out in *New Opportunities, Fair Chances for the Future*<sup>2</sup>, the Government is not only committed to ensuring that each successive generation is able to gain better jobs, but that everyone has the chance to achieve their potential, no matter what their background. Achieving these aims requires universal action combined with specific interventions targeted at particularly vulnerable groups. It will mean changing society to make it fundamentally fairer, so that no child's life is scarred by poverty and every child has the opportunity to fulfil their talents.
- 2.** The case for action to eradicate child poverty is clear: poverty wastes talent and opportunity and limits life chances. Children who grow up in low income families can lack the experiences and opportunities that their peers enjoy: for example, going on an extended school trip, proper diets, space to play or do homework, holidays or winter coats. Children who fall far behind their peers, particularly for prolonged periods of time, are at risk of social exclusion and limited aspirations.
- 3.** A fairer society benefits everybody. The costs of child poverty not only fall to the individual but also to communities and the tax payer. Unfulfilled talent, low educational achievement and poor health reduce productivity and the ability of the UK to compete in the future. The poorer outcomes for children growing up in poverty create extra burdens and costs for public services and prevent them from operating effectively for everyone in society. Deprivation and inequality make it harder for communities to flourish.
- 4.** The recent global economic shocks have brought tougher times and many families across the country are facing new pressures. The Government is committed to supporting people fairly through the downturn and has taken immediate steps, as announced in the 2008 Pre-Budget Report and at the recent Job Summit, to reduce the risk of a deeper or more prolonged recession. Those on the lowest incomes will find it hardest to make ends meet, which is why we are also focusing help on those who need it most and preventing poverty in the future. We are also working to prevent the long-term unemployment which was so damaging in previous recessions.
- 5.** As well as helping families through these challenging times, we must keep focused on the long-term and give families the opportunities to break out of inter-generational cycles of deprivation. This is critical to the future prosperity and well-being of everyone in the UK.
- 6.** The Prime Minister has therefore announced our intention to enshrine in legislation the Government's pledge to eradicate child poverty in the UK by 2020. A child poverty Bill will be introduced in 2009.

7. Our ambition is UK wide: no child should have their childhood experiences or future life chances damaged by living in poverty. This commitment is shared by each of the Devolved Administrations and, in the decade since the child poverty target was set, they have all taken action to tackle poverty. Along with the UK Government, each of the Devolved Administrations must be responsible for taking the action necessary to ensure we accelerate progress towards the eradication of child poverty by 2020. Legislation will ensure that there is a clear vision and definition of success and that all parts of society are enabled to play their full role in tackling child poverty across the UK. Ending child poverty takes more than just central government leadership and national action. It takes everyone at national, devolved administration, regional and local level, and within communities, businesses and families themselves, to play a role in tackling child poverty. We will work closely with the Devolved Administrations in Northern Ireland, Scotland and Wales, recognising their particular and varying responsibilities. While some of the proposals in this paper are specific to England, the challenges are common across the four countries of the UK. Each must consider the arrangements in those areas for which they have devolved responsibility and address the issues in ways that meet their own circumstances and needs. However, the commitment to eradicate child poverty across the UK cannot be in question.
8. The Government will demonstrate its commitment to supporting parents in their role through a contract: in which the Government undertakes to provide the support that families need to move into work, the surest and most sustainable route out of poverty; to focus effort and resource to close the gaps in opportunities and achievements for poor children; and to provide financial security for those who temporarily or permanently cannot work. The Government will provide all families with a clear route out of poverty. On the other side of this contract, we look to families to make a commitment to improve their situations where they can, to do the best for their children's well-being and development, and to take advantage of the opportunities on offer. That is why the Government is increasing the expectations that we place on parents in receipt of state support.
9. This paper sets out the Government's vision towards 2020. It makes proposals for how legislation will drive action against this vision, at all levels, and invites stakeholders' views on a number of important questions.

## 1.1 Background

10. Between the late 1970s and mid-1990s child poverty doubled, resulting in the UK having one of the highest child poverty rates in the industrialised world. Responding to this, in 1999, the Government pledged to eradicate child poverty in a generation. Since then the Government has consulted extensively with stakeholders on how to measure and tackle child poverty<sup>3</sup>. This was instrumental in developing the Government's comprehensive strategy for tackling child poverty based around three key principles: work for those who can and financial support for those who cannot; tackling material deprivation; and improving the life chances of children<sup>4</sup>.
11. Progress on child poverty in the UK is currently measured using three indicators: relative low income; absolute low income; and combined low income and material deprivation.

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3 *Measuring Child Poverty*, DWP, 2003

4 *Child Poverty Review*, HM Treasury, 2004

Significant progress has been made on each of these indicators. As a result of policies and investment across the UK, between 1998/99 and 2006/07, some 600,000 children have been lifted out of relative poverty and the number of children living in absolute poverty has halved from 3.4 million to 1.7 million children. Between 2004/05 and 2006/07, the number of children living in combined low income and material deprivation has fallen by 200,000. All families have benefited from increases in support since 1997; households with children are on average £2,100 better off in 2009/10 and families with children in the poorest fifth of the population are £4,400 better off as a result of personal tax and benefit changes. Had the Government done nothing other than simply uprate the tax and benefit system, it is estimated that there would have been 2 million more children in poverty than there are today<sup>5</sup>.

12. Considerable progress has also been made to improve public services, benefiting all families. For example, since 1997, the Government has cut the number of children living in poor housing<sup>6</sup> in England by over 1.4 million. By 2010, this figure will increase to over 2 million, while measures announced in the 2008 Pre-Budget Report to bring forward spending will accelerate progress further. Since 1997 the Government has invested well over £25 billion in early years and childcare services. In education, since 1997, standards in schools in England have been lifted across the board, with results at ages 11, 14, 16 and 19 now at or about their highest ever levels. Attainment gaps have narrowed at Key Stages 2 and 4 between children on free school meals and their peers, and there are far fewer weak or failing schools<sup>7</sup>. Furthermore, children and young people are healthier today than they have ever been.
13. Similar advances have been seen in Wales, Scotland and Northern Ireland. Many of the issues that it is necessary to address to tackle child poverty relate to devolved matters. Each Administration must continue to act within its jurisdiction to tackle child poverty.
14. Despite this good progress across the UK, it is clear that to achieve the 2020 goal, action on child poverty needs a renewed and continual focus. The UK still has significant numbers of children in poverty. Relative poverty, while having fallen since 1997, has increased, albeit slightly, over the most recent period, and persistent poverty remains a problem. Children living in poverty still do not have the same opportunities and life chances as their peers. That is why the Government has continued to make significant investment. Measures since Budget 2007 will lift around 500,000 more children out of relative income poverty than would have otherwise been the case. It is also why legislation to eradicate child poverty is critical, to help ensure that child poverty is continuously prioritised across all areas and levels of Government.

## 1.2 Summary

### Chapter 2: the 2020 vision

15. The Government's ambition is a UK where children grow up free from deprivation and disadvantage, and birth and social background do not hold people back from achieving

5 HM Treasury analysis based on a comparison of simulated child poverty levels under today's tax and benefit and the 1997/98 system indexed to today's prices.

6 Non-decent or overcrowded homes and temporary accommodation.

7 *Ending Child Poverty: Everybody's Business*, HM Treasury, DWP and DCSF, 2008

their potential. Tackling child poverty is therefore vital. Given the multiple and complex causes of childhood disadvantage a strategy for the sustainable eradication of poverty must improve children's life chances, reduce persistent poverty, prevent future poverty and increase social mobility. The strategy must create a fairer society, with equality of opportunity for all.

- 16.** The Government's vision for eradicating child poverty by 2020, developed through discussion with stakeholders, will mean meeting four key aspirations: more parents in work that pays; financial support that is responsive to families' situations; improvements in children's life chances so that poverty in childhood does not translate into poor outcomes; and safe, cohesive communities that support children to thrive. Together, these aspirations will help to create a fairer society where children do not experience persistent poverty and have equal opportunities to fulfil their potential. Concerted action across these aspirations, and the underlying 'building blocks' such as employment, skills, financial support and children's services, is the key to success. A number of these building blocks are within the jurisdiction of the Devolved Administrations. Legislation will support action across the UK, continuing the joint work that has taken place to date through the Four Nations Forum on Child Poverty.

### Chapter 3: Driving progress against the vision

- 17.** Driving action to eradicate child poverty requires a clear and comprehensive definition of success. The proposals outlined in this document build on the key conclusions from the earlier consultation, *Measuring Child Poverty*. The Government plans to use a number of indicators, as set out in Box 1.1, to ensure that there is a robust and comprehensive approach.

#### Box 1.1: Defining eradication

The Government envisages that primary and secondary legislation will be used to establish the following targets to measure success:

- Reducing the proportion of children in relative low income to 5-10 per cent by 2020, which means that increases in family income keep pace with the rest of society. This range is in line with the best in Europe, reflects the fact that it will not be technically feasible to achieve zero using a survey measure, and also reflects the dynamic nature of low incomes.
- Reducing the proportion of children in material deprivation combined with low income to a level approaching zero by 2020, which means adequate living standards for all children.
- Continued progress on persistent poverty to ensure that no child experiences poverty for prolonged periods.

The Government would also welcome views on whether the inclusion of an absolute low income measure, to capture whether low income families see their real incomes increase over time, would provide additional value to our measure of success.

18. Action to meet these targets is subject to overall affordability and the fiscal position but it is vital that the public and stakeholders are able to see visible progress. This requires a transparent strategy towards 2020 that is flexible and responsive to changing circumstances and levels of progress. The Government therefore proposes to publish a child poverty strategy, to be refreshed every three years, evaluating progress towards the 2020 vision and setting out milestones for future action across a range of policy areas. We intend to set up an expert commission to provide advice to the Government to inform the child poverty strategy. The Government will also remit technical matters, for example on measurement of persistent poverty, to the expert commission for consideration.
19. The Government also proposes to report to Parliament on an annual basis setting out progress against these targets and the implementation of the strategy. It will also monitor progress made on narrowing the gaps in wider child outcomes.

#### **Chapter 4: Tackling child poverty in local communities**

20. Local authorities and their delivery partners have a vital role in delivering many of the building blocks to tackle child poverty. As providers of services to children, young people and families, they have a major part to play in narrowing the gaps in outcomes between children from low income families and their peers, and breaking inter-generational cycles of deprivation. Through driving regional economic performance and sustainable growth they also create prosperity and employment. Local authorities can provide strategic leadership in tackling child poverty and facilitate creative local solutions tailored to local circumstances.
21. Many local partnerships have already made considerable progress in tackling child poverty. However meeting the challenge of eradicating child poverty across the country requires all local authorities and their partners to focus on improving the opportunities, experiences and outcomes for disadvantaged children and their families. The Government is considering how it can build on this progress to support and encourage all local services to strengthen their role and do more to tackle child poverty.


## How to respond

The Government would welcome views on the following 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?
- 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?
- 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?
- 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?

The Government invites responses to the issues raised in this discussion paper by 11 March 2009. This is shorter than the usual time for consultation because of the parliamentary timetable, but builds on extensive previous consultations on the measurement of child poverty, and on the strategy to 2020.

Responses should be sent by email to [childpoverty.consultation@childpovertyunit.gsi.gov.uk](mailto:childpoverty.consultation@childpovertyunit.gsi.gov.uk), submitted online at <http://www.dcsf.gov.uk/consultations/>, or by post to *Child Poverty Consultation, Child Poverty Unit, Sanctuary Buildings, Great Smith Street, London SW1P 3BT* by 11 March 2009.



# Chapter 2: The 2020 vision

- 22.** The Government's overarching vision is a fairer society where every child has the opportunity to achieve their potential. Experiencing poverty as a child, particularly for prolonged periods, can damage physical, cognitive, social and emotional development, which all affect outcomes in adult life. That is why the Government will enshrine in legislation its historic commitment to eradicate child poverty by 2020. By legislating, the Government intends to ensure that child poverty remains a national priority for the long term, in line with its commitment to the UN Convention on the Rights of the Child.

## 2.1 The 2020 Vision

- 23.** The causes and consequences of child poverty, both temporary and persistent, are multiple and complex. Improving children's opportunities therefore requires a sustainable strategy that tackles each of these causes and prevents poverty from occurring now and in the future. In *Ending Child Poverty: Everybody's Business* the Government reviewed the evidence, and set itself a number of aspirations for the future. Achieving these aspirations will benefit the whole of society, and constitute a high-level strategy to address child poverty.
- 24.** To build on these aspirations, the Government hosted a conference to provoke debate and discussion with stakeholders from across the UK, including representatives from the lobby, third sector, local partners and service providers. The event focused on a stretching vision for 2020, and the challenges that will need to be overcome to achieve it<sup>8</sup>. This was followed by workshops and seminars between June and September that focused on the role of employers; financial and material support; public attitudes; housing; and the child's family environment. Stakeholders are supportive of the Government's 2020 vision, particularly of its focus on a sustainable and multi-faceted approach that tackles the wider causes and consequences of poverty and inequality.
- 25.** The following sections set out the key elements of this vision and the basic building blocks for achieving it, based on Government's aspirations, feedback from stakeholders and evidence on the determinants of poverty. These actions will build on the foundations that have been set in place to tackle child poverty since 1997<sup>9</sup>, and will supplement a range of plans already in train: not least those set out in the *Children's Plan*<sup>10</sup> and *Children's Plan One Year On*<sup>11</sup>, in *Raising expectations and increasing support*<sup>12</sup> and in *New Opportunities, Fair Chances for the Future*. The vision and building blocks encompass policy areas that are within the jurisdiction of Devolved Administrations and local authorities and it is for each

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8 *DWP Working Paper 56 Ending Child Poverty: Thinking 2020*, Cooke, G., Gregg, P., Hirsch, P., Jones, N. and Power, A., 2008

9 *Ending Child Poverty: Everybody's Business*, HM Treasury, DWP, DCSF, 2008

10 *The Children's Plan*, DCSF, 2007

11 *The Children's Plan One Year On*, DCSF, 2008

12 *Raising expectations and increasing support: reforming welfare for the future*, DWP, 2008

Administration to continue to act within its jurisdiction to tackle child poverty to support the vision. As in England, these actions would build on the considerable foundations that have already been put in place to tackle child poverty and promote equality of opportunity.

## Increasing employment and raising incomes, so more parents are in work that pays

- 26.** Parental employment is the single biggest determinant of family income and children in out of work families are at a high risk of poverty. Living in a household where no adult is working puts a child at a 63 per cent risk of relative poverty. This is much higher than both the 29 per cent risk of poverty for children in households where at least one, but not all, adults are in work, and the 8 per cent risk of poverty for children in households where all adults are in work<sup>13</sup>. In *Ending Child Poverty: Everybody's Business* the Government set itself the aspiration of **further increasing parental employment. Work continues to be the best route out of poverty, therefore the Government believes that every parent who could work, should do so.** The Government is committed to ensuring that parents have the right support and reward to work. In the long-term almost all parents on benefits will be expected to take active steps towards work with personalised support based on their individual needs and circumstances. The Government will be piloting the best way to deliver the Gregg model of conditional support for parents<sup>14</sup>. At the Job Summit earlier this year the Government announced further measures to support this movement into work including a recruitment incentive to take on someone who has been unemployed for more than six months, and money to train new recruits.
- 27.** Work itself is not always a guarantee out of poverty. In-work poverty is a considerable challenge, with workers who are low paid in one period much more likely to be low paid in later life<sup>15</sup>. Additionally, low paid work and worklessness are closely related with families often cycling between in-work poverty and unemployment<sup>16,17</sup>. Clearly, the economic climate and local labour market conditions are important determinants of employment opportunities, as are factors such as transport and childcare. Personal constraints can also hinder many parents from entering, staying and progressing in work. For example<sup>18</sup>:
- low skills reduce the probability of getting or progressing in work;
  - poor physical or mental health and disability can seriously limit opportunities for parents to enter and remain in the workforce;
  - caring responsibilities can make balancing work and family life difficult; and
  - family breakdown and crisis can make searching for work very difficult and also increase the risk of dropping out of the labour market.

13 *Households Below Average Income 2006/07*, DWP, 2008

14 *Realising Potential: developing personalised conditionality and support. A discussion paper on next steps in implementing the Gregg Review*, DWP, 2009

15 *Nice work if you can get it: Achieving a sustainable solution to low pay and in-work poverty*, IPPR, 2009

16 The DWP Research Report *Lone Parents Cycling Between Work and Benefits*, Evans, M., Harkness, S., and Arigoni Ortiz, R., 2004

17 The DWP Research Report *Britain's Poorest Children: Severe and persistent poverty and social exclusion*, Save the Children Adelman, L., Middleton, S. and Ashworth, K., 2003

18 *Ending Child Poverty: Everybody's Business*, HM Treasury, DWP, DCSF, 2008

28. Recognising that work is the surest and most sustainable way to escape poverty, the Government has set itself the aspiration that **working families should see a clear path out of poverty with parents supported into work, improving their skills, increasing their earnings and moving into full-time work where appropriate**<sup>19</sup>. The Government also believes that supporting additional earners from couple households into work, where appropriate, is a key means of reducing in work poverty.
29. Stakeholders support these aspirations. They have commented that employment must be accessible, flexible and family-friendly, and employers must take a life-long approach to learning, progression and skills development.

### Box 2.1: Building blocks – employment and adult skills

Building on wide-ranging plans recently set out at the Job Summit and in *New Opportunities* and *Raising expectations and increasing support*, the Government's vision is to:

- increase families' incomes by ensuring that more **parents can enter, stay and progress in work**, and to help parents balance work and family life and tackle barriers such as childcare, transport and availability of local, flexible employment.
- In addition to broader action on employment, it will be important to build on successes in education, and ensure that all adults have the **skills** necessary to take up opportunities, to enter, stay and progress in work and increase their incomes.

### Improving financial and material support for families, so support is responsive to families' situations

30. The Government believes that a child's life chances should not be determined by their parents' capacity to earn. The Government therefore provides financial support to assist families while maintaining incentives to work; for example, through a responsive system of tax credits which means that in the current economic circumstances, families are getting more help when they need it. It also supports families who are unable to work. The Government has set itself the aspiration that **financial support should respond to families' situations in and out of work. For those experiencing short periods out of work, sufficient income needs to be provided to support their families while they are looking to get back into work. For those with greater need, including those who cannot work, additional practical and financial support must be provided to lift them out of poverty**<sup>20</sup>.
31. Stakeholders supported this element of the 2020 vision. They commented that support should be responsive to peoples' personal needs especially during times of transition between benefits and work. Stakeholders also commented that the benefits system should be non-stigmatising and easy to use. Some stakeholders also noted the importance of ensuring work incentives are retained.

19 *Ending Child Poverty: Everybody's Business*, HM Treasury, DWP, DCSF, 2008

20 *Ending Child Poverty: Everybody's Business*, HM Treasury, DWP, DCSF, 2008

## Box 2.2: Building blocks – financial support

Building on the significant increases in financial support provided to families and reforms to the Child Maintenance system, the Government is committed to providing a strong and progressive financial environment that supports the most vulnerable. **Financial and material support** will remain an important public service, provided through a modern welfare system that recognises the barriers families face, while maintaining incentives to work.

### Improving poor children's life chances, so poverty in childhood does not translate into poor outcomes

32. A child's family environment is not only important for their experiences of childhood today but also for their prospects for achievement in later life. Disadvantage and deprivation do not start in adulthood; they often begin at, or before, birth and transmit through families and generations.
33. Given the link between experiences in childhood and adolescence and adult outcomes, the Government has set itself the aspiration that **every child, whatever their background, can achieve the five Every Child Matters outcomes: to be healthy, to stay safe, to enjoy and achieve, to make a positive contribution, and to achieve economic well-being**. Reaching this aspiration will give every child the best start in life. The Devolved Administrations have set themselves similar aspirations as set out in *Getting It Right for Every Child*<sup>21</sup> in Scotland, and *Rights in Action*<sup>22</sup> in Wales. Further progress on these goals is vital to tackling child poverty.
34. For some groups, the links between poverty and outcomes are particularly significant. There is a strong relationship between negative outcomes and length of time spent in poverty. Children in persistently poor families are more likely than children in temporary poverty to be at risk of poor outcomes across a number of Every Child Matters domains<sup>23</sup>. The effects of poverty can also be most long-lasting amongst those very young children who suffer in their earliest years<sup>24</sup>.
35. Stakeholders welcomed the Every Child Matters aspirations. They pointed out that the home environment has a key role to play and needs to become part of a longer-term vision and strategy. They also suggested that as part of a vision for 2020, the child must be at the centre of a joined up approach to services, with professionals and front line workers playing a key role. They said families should be supported by both universal and targeted services that are non-stigmatising and provide families with the support to break cycles of poverty and raise aspirations. Stakeholders proposed a vision in which preventative services ensure that families get the support they need before they reach crisis point. Their vision included it being culturally acceptable to ask for help and for professionals to challenge behaviour.

21 *Getting it Right for Every Child*, The Scottish Government

22 *Rights in Action*, Welsh Assembly Government, 2007

23 *The circumstances of persistently poor children: Evidence from the Families and Children Study*, DWP Research Report 487 Barnes, M., Conolly, A. and Tomaszewski, W. 2008

24 *Getting on, getting ahead*, Cabinet Office, 2008

### Box 2.3: Building blocks – services for children, young people and families, in particular education, health and family support

The Government will build on the vision set out in the *Children's Plan* and *Children's Plan One Year On*, in *New Opportunities*, in *Health Inequalities: progress and next steps*<sup>25</sup>, and the ambitious programme of reform for childcare and early years services for children and families set out in the *2004 Childcare Strategy*<sup>26</sup> and *Next Steps for Early Learning and Childcare*<sup>27</sup>. We will consider how best we can take into account the contribution that the planned expansion in the availability of free childcare could make to the goal of eradicating child poverty. The Government will look to all services for children, young people and families to work together to tackle inequalities, keep children safe and enable every child to make the most of their potential. In particular, the Government is committed to:

- improving **education and personal development** outcomes for all children and young people, from the early years onwards, narrowing the gaps in achievement between poor children and the rest, and encouraging parents' support and engagement with their children's education in order to achieve equality of opportunity;
- working with families to improve physical and mental **health** outcomes for all children and parents, reducing health inequalities, and improving support and access for those with poorer health and disabilities; and
- **supporting parents** to undertake their role as well as possible, whether they are living together or apart, by reducing the pressures on families and strengthening their capabilities, and ensuring children can stay safe and supported within their families.

### Tackling deprivation in communities, so the child's environment supports them to thrive

- 36.** Children in deprived communities can often lack safe spaces to socialise and play. This can have knock-on effects on a child's cognitive development, communication skills and health, and affect their attainment. The Government has set itself the aspiration that **families will live in safe, cohesive and prosperous communities where children can thrive, with safe places to play, opportunities to develop, and access to high-quality public services**<sup>28</sup>.
- 37.** Stakeholders endorsed this focus on the child's environment. In particular, they made the point that housing also needs to become part of a longer-term vision and strategy. They suggested the 2020 vision should ensure that where families live will no longer be a barrier to parents accessing services, including childcare and employment services.

25 *Health Inequalities: progress and next steps*, DH, 2008

26 *Childcare Strategy*, DfES, 2004

27 *Next Steps for Early Learning and Childcare*, HM Government, 2009

28 *Ending Child Poverty: Everybody's Business*, HM Treasury, DWP, DCSF, 2008

### Box 2.4: Building blocks – housing and neighbourhoods

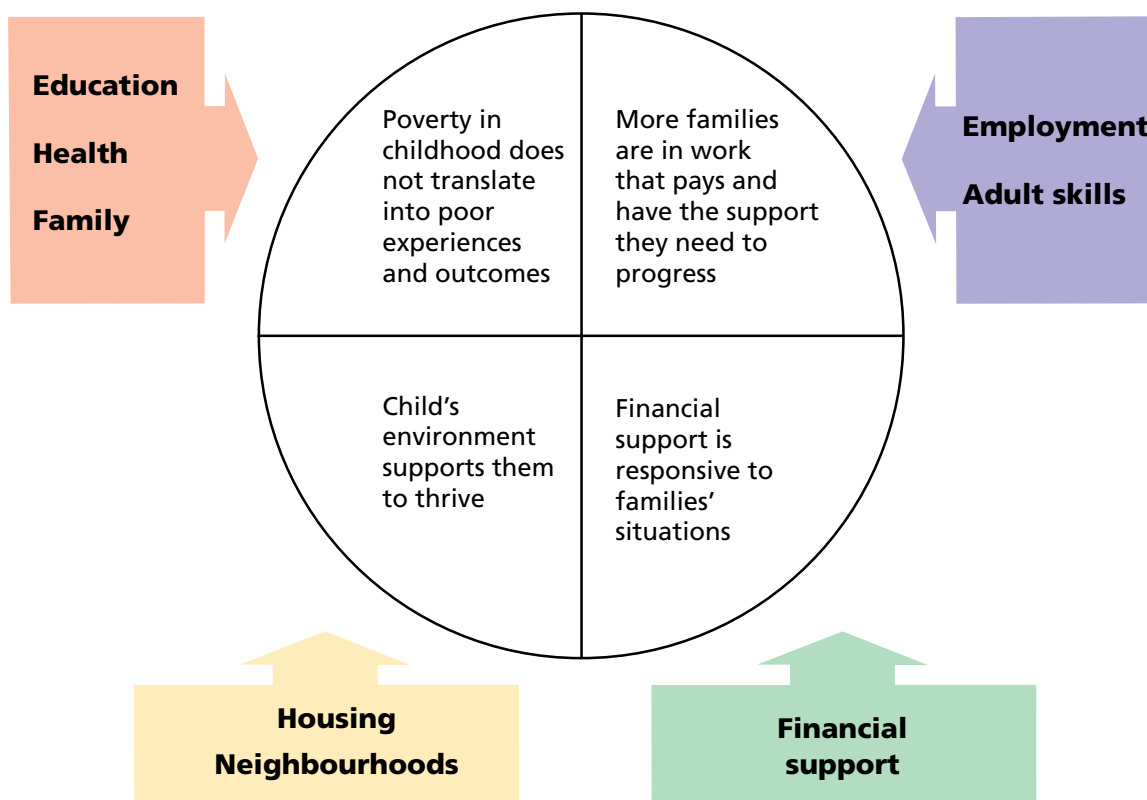
Building on the achievements so far of the Decent Homes programme and recent additional funding for the Warm Front programme, and on the new *National Play Strategy*<sup>29</sup>, the Government is committed to:

- ensuring that all children have the opportunity to grow up free from homelessness and overcrowding, and in decent **homes** that support their health and educational development; and
- ensuring all children and families have the opportunity to thrive in safe and cohesive communities, with equal access to work, cultural and leisure opportunities. This will require action to improve the quality of services and space in **neighbourhoods**.

## 2.2 Making Progress Towards 2020

38. While good progress has been made, tackling childhood disadvantage and deprivation will require a renewed drive at all levels to tackle the underlying causes of poverty. With complex factors at play, poverty can be particularly prevalent for some at-risk groups. For example, large families, families with young children, some ethnic minority groups and those affected by disability have higher than average risks of poverty which, in some cases, may be associated with a higher prevalence of the underlying causes of poverty, such as worklessness.

Figure 1: 2020 Building Blocks



- 39.** Action across all of these areas is already underway, and further policy commitments are set out in the *Children's Plan One Year On; Raising expectations and increasing support; New Opportunities, Fair Chances for the Future; and Next Steps for Early Learning and Childcare*. Between now and 2020, the child poverty strategy will focus on co-ordinating and driving further action across these building blocks to ensure that birth and social background do not hold a child back. The strategy should ensure that Government and other bodies attach the highest priority and greatest urgency to tackling poverty among those at particular risk, for example, our youngest children and those experiencing persistent poverty. The building blocks framework represents a complete and coherent approach to set and assess a strategy to address child poverty. The outcomes will be enjoyed by the whole of society: increased parental employment; work that pays; a fair welfare system; safe and cohesive communities; and improvements across the Every Child Matters outcomes.
- 40.** Further action by each of the Devolved Administrations is vital to meeting our shared 2020 goal. It is crucial for success that they continue to take action in education, health, housing, neighbourhoods and other areas of devolved policy to ensure that child poverty is eradicated in the UK.
- 41.** The Government would welcome views on whether:
- **The 2020 vision captures the key areas where action is required to ensure the greatest impact on reducing child poverty?**
  - **The building blocks are the right ones to make progress towards 2020, including for those groups at particular risk of poverty?**

# Chapter 3: Driving progress against the vision



- 42.** We intend to use primary and secondary legislation to set out a framework for advancing the Government's 2020 aims, including setting targets for the future. This chapter outlines the framework that the Government intends to use to define, measure and report on progress against its strategy to tackle child poverty.

## 3.1 Defining Success

- 43.** Improved accountability and a clear and comprehensive definition of success will provide a platform for a renewed approach to break the cycle of poverty. As set out in Chapter 2, the Government's overarching vision is a UK where everyone is supported to make the most of their talents and achieve their full potential regardless of social background. Achieving this vision requires a sustainable approach that tackles poverty now and in the future, and ensures that disadvantage and deprivation do not transmit through generations.
- 44.** In 2002 and 2003, the Government consulted widely on how to measure child poverty and arrived at a number of indicators that would be used to measure progress over the long-term<sup>30</sup>. The proposed definition of success set out in this chapter builds on the conclusions of that consultation.
- 45.** For the Government to be confident that child poverty has been eradicated, the indicators used must be comprehensive, capturing the many facets of poverty. Income itself, even controlling for other factors, has a direct impact on outcomes and social inclusion. However, because the length of time in poverty and experience of poverty has a key impact, the indicators used must also ensure that action is targeted at tackling persistent poverty and improving living standards. Measuring eradication effectively will therefore require a number of indicators to be taken together.

### Box 3.1: Defining eradication

The Government envisages that primary and secondary legislation will be used to establish the following targets to measure success:

- Reducing the proportion of children in relative low income to 5-10 per cent by 2020, which means that increases in income for poorer families keep pace with the rest of society. This range is in line with the best in Europe, reflects the fact that it will not be technically feasible to achieve zero using a survey measure, and also reflects the dynamic nature of low incomes.
- Reducing the proportion of children in material deprivation combined with low income to approaching zero by 2020. This would mean that families' living standards are significantly improved.
- Continued progress on persistent poverty, to ensure that if a child does experience poverty, it is short-term.

The Government would also welcome views on whether the inclusion of an absolute low income indicator, to capture whether low income families see their real incomes increase over time, would provide additional value to our measure of success.

46. The 5-10 per cent range for the relative low income target reflects the fact that it will not be technically feasible to achieve zero using a survey measure. It also reflects the dynamic nature of low incomes, with some families experiencing only temporary periods of poverty which do not impact on their living standards over the longer term.
47. Eradication will therefore be achieved when fewer than one in ten children live in a low income household at any one point in time; when effectively no child experiences low income and living standards which fall below acceptable levels; and when any experiences of low income are only short-term. Taken together these measures will ensure that action on child poverty makes a substantial and sustainable impact on children's lives. This would put the UK's position on child poverty firmly among the best in Europe.

#### Relative low income

48. Low income is often used as a measure to capture poverty and standards of living, and evidence suggests that it has a direct impact on life chances. The extent to which a child's household income falls behind that of their peers can also have an impact; when children fall behind early on, it becomes increasingly difficult for them to achieve their potential. For example, they are more likely to become socially excluded and to have poorer employment outcomes in adulthood. A society that gives everyone the opportunities they need to get on and get ahead does not only require increasing incomes and standards of living overall, but also narrowing the income gap between the poorest children and their peers to ensure equal opportunities in life.
49. The Government therefore proposes that **success in eradicating child poverty will require making continued progress against a relative low income indicator, measured as 60 per cent of contemporary median income before housing costs.** This internationally recognised measure will make sure that the Government continues to

recognise the impact of income on children's standards of living, childhood experiences, adult outcomes and life chances.

50. In *Measuring Child Poverty*, it was stated that eradication using the relative low income indicator could be interpreted as being 'among the best in Europe'. It was suggested that this could be calculated as:
- having a relative child poverty rate no higher than the average of the best three countries in Europe;
  - having a relative child poverty rate no higher than the average of the best four countries in Europe; and
  - having a relative child poverty rate that was within two percentage points of the average of the best three countries in Europe.
51. The best child poverty rate that has ever been achieved in Europe is 5 per cent, but these figures have not been sustained. Using data from 2007, the best in Europe would equate to a level of 10 per cent. Table 1 presents the child poverty figures in 1997, 2001, 2005 and 2007 among the 5 EU countries that had the lowest child poverty figures in 1997<sup>31</sup>, alongside those of the UK<sup>32</sup>. Different surveys and measurement approaches have been used to capture this information<sup>33</sup>.

**Table 1: Historic child poverty figures in 6 European countries**

	European Community Household Panel		EU Survey of Income and Living Conditions	
	1997	2001	2005	2007
Belgium	14	12	18	17
Denmark	6	7	12	10
Finland	5	9	10	11
Netherlands	13	17	15	14
Sweden	7	7	9	12
UK	27	23	22	23

52. Evidence from the UK suggests that households with the very lowest incomes in 'snapshot' surveys have higher spending than their low incomes would suggest. This points to the fact that income, in these cases, is not accurately representing their living standards<sup>34</sup>. Moreover, while for the most part current income provides a good indication of living standards, for some the survey picks up temporary periods of low income, such as short-term unemployment, which may not impact on living standards.

31 Of the EU-15 Member States at that time.

32 Data is from the EU surveys, using the EU definition of a child (aged 0-17) and will therefore differ from the UK statistics published in HBAI.

33 The survey used to measure poverty at the EU level changed during the mid-2000s. Therefore it is not possible to directly compare changes over time between 1997 and 2007.

34 *Household Spending in Britain: What can it teach us about poverty?* Joseph Rowntree Foundation, 2006

53. Given the under-reporting of incomes in the UK survey, and the dynamic nature of household incomes, the Government believes that for technical reasons it will not be possible to define eradication as zero children in relative income poverty. Instead the Government believes that between 5-10 per cent is an ambitious but technically feasible goal for sustained eradication of child poverty that would put the UK's position on child poverty firmly among the best in Europe.
54. **The Government therefore proposes that legislation sets a target that by 2020 the percentage of children in relative low income should be between 5-10 per cent and that this should be sustained for the long-term.**

### Relative low income and material deprivation combined

55. As noted earlier, current income does not always reflect living standards. For example, people may experience temporary drops in income or unavoidable high costs that are not reflected in the income measurement. The extent to which people lack essential items which can affect their standards of living is measured using a material deprivation indicator.
56. Households are considered to be materially deprived if they cannot afford the necessities that others may take for granted. This can have repercussions on children's experiences and outcomes. Poor housing or over-crowding, for example, denies a child space to play or study, leading to worse health or educational outcomes<sup>35</sup>. Deprivation measures resonate well with the public perception of poverty and the view that a poverty measure should encompass some idea of the practical effects of living in low income. Evidence also demonstrates that there is a strong relationship between material deprivation and persistent low income; as the time spent in low income increases, the severity of deprivation increases<sup>36</sup>.
57. The Government therefore believes that **success in eradicating child poverty will require making continued progress on improving living standards, measured through combined low income and material deprivation, to ensure that the standards of living of low income groups do not fall too far behind their peers.**
58. On their own, material deprivation measures can run the risk of capturing those families who cannot afford items in the survey because they choose to spend their money elsewhere. Combining material deprivation with low income minimises this risk. The Government will therefore monitor performance on the number of children that are both materially deprived and have an income below 70 per cent of contemporary median household income. **The Government believes that eradicating child poverty by 2020 means that the number of children in poverty as measured using this indicator should be approaching zero in 2020.** This would ensure that the Government makes continued progress in improving housing, increasing financial inclusion and improving the living standards of low income families.
59. The indicators and targets used to monitor success against the vision need to be robust. Material deprivation is currently measured using a suite of survey questions about access

35 *Ending Child Poverty: Everybody's Business*, HM Treasury, DWP, DCSF, 2008

36 *The dynamics of deprivation: the relationship between income and material deprivation over time*. DWP Research Report 219, Berthoud, R., Bryan, A. and Bardasi E, 2004

to a range of goods and services which help to identify families experiencing low living standards. It is important to ensure that this set of questions continues to clearly capture those families who experience poor living standards. It may therefore be necessary to add new questions from time to time as new goods and services are required to attain social inclusion. **The Government will therefore be consulting with a technical group on how the items can be updated to adequately reflect changes in living standards while maintaining, as far as possible, a consistent time series to monitor progress.**

### Persistent poverty

60. The length of time that a child is in poverty, and how often it recurs, can have a significant detrimental impact on their experiences and life chances<sup>37</sup>. Research shows that children who live in persistent poverty are more likely than those who experience temporary poverty to be at risk of worse outcomes, for example, being suspended or expelled from school (11 per cent compared to 6 per cent) or living in bad housing (48 per cent compared to 33 per cent)<sup>38</sup>; and the chance of escaping low income falls as the length of time in poverty increases<sup>39</sup>. It is therefore important that any definition of success captures persistent poverty.
61. To an extent, the combined low income and material deprivation indicator picks up persistent poverty due to the strong relationship between length of time spent in poverty and the experience of material deprivation. However, the Government believes that an indicator focused specifically on reducing the persistence of poverty should be incorporated into the definition of success given the importance of tackling this problem. Families can often manage and mitigate against the negative consequences of temporary poverty on their living standards, but this is not the case for those that experience persistent poverty.
62. **The Government therefore believes that eradicating child poverty will require making continued progress on persistent poverty, as well as on material deprivation and income combined, and relative low income.**
63. There are some technical issues with measuring persistent poverty which mean it is not possible to determine a challenging target at this time. Most significantly, a new survey, *Understanding Society*, will significantly extend the *British Household Panel Study*, the survey currently used to capture persistent poverty. This will mean the previous data series, which has measured persistent poverty as children living in poverty for at least three out of the last four years, will come to an end with the last statistics available from this source covering 2005 to 2008, and a new series will be introduced, making it harder to compare persistent poverty across time. Given these technical issues, **the Government will be seeking views from the expert commission on what indicator of persistent poverty would be most appropriate. This target will be introduced as soon as practicably feasible.**

37 *Outcomes for children of poverty*, DWP Research Report 158, Ermisch, J., Francesconi, M. and Prevalin, D.J. 2001

38 *The circumstances of persistently poor children: Evidence from the Families and Children Study*, DWP Research Report 487 Barnes, M., Conolly, A. and Tomaszewski, W. 2008

39 *The dynamics of poverty in Britain*, DWP Research Report 157, Jenkins, S. P and Rigg, J.A. with Devicienti, F. 2001

### Absolute low income

- 64.** As set out above, the Government is committed to raising the incomes of low income families. The absolute low income indicator outlined in *Measuring Child Poverty* has been used to monitor progress on the extent to which families are seeing their real incomes, that is incomes that are adjusted for price inflation, increase. **The Government would welcome views on whether a measure of absolute low income should be added to the definition of success, to monitor whether low income families see their real incomes increase over time.**
- 65.** There are some technical issues with measuring absolute low income over the long-term. The Government currently uses a 1998/99 baseline to assess progress, but over time this measure will become less robust as it will increasingly capture only those on very low incomes. There are also concerns around the extent to which the reported income of these households accurately represents their living standards<sup>40</sup>. Overcoming this problem will require refreshing the absolute low income baseline or identifying an alternative method for capturing this aspect of poverty. **The Government will therefore seek views from a technical group on how this indicator could be rebased most effectively over time or whether it would need to be replaced with another indicator to capture real income changes for the poorest families.**

### 3.3 Driving Progress and Action

- 66.** The Government has clearly set out its vision for 2020 and how it will define success. Given the scale and ambition of these targets, plans for how they will be achieved will be subject to overall affordability and fiscal constraints. To ensure the continued momentum against the vision and targets it is vital that the public and stakeholders are able to see progress. This requires a clear and transparent strategy towards the long-term eradication of child poverty, reporting on progress on the targets, and on action taken to meet the vision through the wider 2020 building blocks set out in Chapter 2, and shown in Figure 1.
- 67. It is envisaged that legislation would include a duty for the Government to publish a child poverty strategy to 2020.** The strategy would set out how the Government intends to reach the 2020 goal. It would aim to:
- spell out the size of the challenge and the contribution required across the building blocks, and give a clear sense of what needs to be achieved in order to guarantee success; and
  - assess next steps and priorities, particularly to tackle areas where performance is not on track, to achieve the long-term goal.
- 68.** The strategy will be used to bring a greater focus on child poverty across government and beyond, and co-ordinate plans so that activity is focused in a way that has the best and most sustainable effect by 2020. It will need to take into account the experiences and views of local partners and service providers as well as children and families living in poverty.

69. In view of the complex mix of devolved and non devolved functions and the inter-dependency of each in meeting the 2020 child poverty target, it is vital to ensure that the strategy of the UK Government is complemented by the strategies in place and planned by the Devolved Administrations.
70. To ensure that the strategy is ambitious and achievable **the Government intends to establish an expert commission, bringing leaders in the field together, to provide advice to the Government to inform the child poverty strategy.** Among other things the commission will be asked to consider the barriers to achieving the Government's vision and analyse areas of best practice across the UK. The Government will also remit technical matters to the expert commission for consideration: for example, the commission will be asked to consider the technical aspects of the persistent poverty indicator.
71. In recognition of the need for the strategy to evolve in response to the changing pressures and demands of meeting the 2020 goal, **the strategy will be refreshed every three years.**
72. **The Government also envisages that legislation will include a duty for the Government to report annually to Parliament outlining progress on the targets set out above, implementation and impact of the strategy, and progress on the outcomes of poor children and their families.**
73. The report will, where possible, use information already gathered through other processes such as Public Service Agreements in England, in order to avoid duplication. However, the report must add value beyond existing structures. Bringing this information together will enable the Government, and stakeholders, to assess whether the UK is on track to achieve the goal of eradicating child poverty by 2020.
74. **The Government would welcome views on:**
- **Whether the measure of success should be expanded beyond relative income, combined low income and material deprivation, and persistent low income, to also include absolute low income?**
  - **Whether proposals to publish a strategy, informed by an expert child poverty commission, and proposals to monitor and report on progress will drive the action needed?**



# Chapter 4: Tackling child poverty in local communities

## 4.1 Local Authorities and their Delivery Partners

- 75.** Experiences at home, in play areas, at sports centres, Children's Centres and schools, or while travelling around their local area, all contribute to a child's wellbeing and development. By ensuring that these experiences are positive for all children, regardless of family income, local partners can shape lives in a way that no one else can. Each local authority must therefore take responsibility for action to improve children's experiences in the short-term and develop strategies to end child poverty over the longer-term.
- 76.** Local service providers, who are closest to their communities, know the barriers to tackling child poverty. They deal with struggling families every day, understand the issues these families face, and are best placed to help them by tailoring solutions to their needs. They can play a major role in narrowing the gaps in outcomes between children from low income families and their peers, and breaking inter-generational cycles of deprivation. Local authorities also have a role beyond that of service provider. They are strategic leaders for their areas, responsible, with key partners, for developing their local economies, regenerating their local communities, and commissioning services to meet local needs. It is vital that their child poverty strategy is clearly connected to these broader corporate objectives. Furthermore as large employers and procurers of services, local authorities and other public services have the potential to have a direct impact on the incomes and prospects of poor families.
- 77.** Real progress has been made. Many local authorities and their partners have taken up the challenge and have made tackling child poverty a priority. Case Study A sets out an example of how local services can come together to tackle child poverty effectively by making sure it is everybody's business and that all partners understand the role they must play.

## Case Study A: Multi-agency approach to tackling and eradicating child poverty – Newcastle

Newcastle's child poverty strategy is driven by a partnership between economic regeneration, Newcastle Futures Limited (NFL), Jobcentre Plus and local authority children's services. NFL leads on activity towards the Local Area Agreement child poverty target.

Newcastle is developing further support for parents who have been workless for some time and for families who are likely to experience multiple problems. It is supporting families through the provision of services such as courses to build confidence, improve basic skills and parenting skills. It is helping parents support children at school and providing volunteering opportunities in a range of settings including Children's Centres, schools, the voluntary sector and Youth Offending Teams. It offers benefits and debt advice and lots of other activities to build a pathway into employment and vocational training.

NFL is a not-for-profit company created to spearhead Newcastle's approach to reducing worklessness. They provide the strategic co-ordination of training and support services delivered by a range of providers, along with counselling for individuals and case management through their progress to employment.

NFL operates from community outreach facilities all over the city, including Children's Centres, libraries and cafés. This use of the most accessible venues ensures that parents can easily engage with NFL and helps children's services' partners form stronger links with NFL staff so they both develop a multi-agency approach.

Between April 2007 and December 2008, 1,079 lone parents registered for NFL's services and 579 (54 per cent) moved into employment. As part of its child poverty strategy NFL started to record information about all families with dependent children and not just lone parents from April 2008.

- 78.** However, there is a long way to go. Tackling child poverty requires local partners to have a detailed understanding of the needs of vulnerable families. It also requires concerted action by all local authorities and their partners to find these families and help them to overcome both the causes and consequences of child poverty.
- 79.** Tackling child poverty in local communities requires looking far beyond the child and addressing all the factors which influence families' wellbeing, opportunities and outcomes. Making a sustained improvement at a local level means bringing together children's services with schools, health, transport, housing and economic regeneration to address all the causes and consequences of child poverty. The scale of change required means that local child poverty strategies must be cross-cutting, and must be embedded within all plans across the whole range of broader social and economic priorities, including economic development and job creation; skills, training and educational attainment; and community regeneration. This can only be done with the drive of local leaders, and a corporate commitment to making child poverty everybody's business.

- 80.** Through this consultation, we would welcome views on the constraints that make it difficult for local authorities and their partners to tackle child poverty, and how best we can ensure that all local authorities recognise that ending child poverty is one of their key responsibilities.
- 81.** The Government is determined to support local partners in playing their part in tackling child poverty. For example, in England, strong foundations are being laid through the Local Innovation Pilots and the Beacon Council Scheme:
- Through the **Local Innovation Pilots** the Government will explore new ways to co-ordinate local efforts to reach families at risk of poverty and deliver the services they really need. The pilots will provide tried and tested options that other local authorities can adopt in the future.
  - Through the **Beacon Council Scheme** the Government is facilitating ways to share best practice and highlight creative solutions both formally and informally. In March 2009, the Government will announce details of which authorities have been awarded Beacon status for excellent work in tackling and eradicating child poverty.
- 82.** To support a renewed local focus, the Government proposes that local partners are asked to prioritise action to address the causes and consequences of poverty in the local area. Box 4.1 sets out more detail on the current system for priority setting at the local level in England, and the next steps that are already in train. The rest of this chapter discusses further options for ensuring all local areas take action to tackle child poverty.

## Box 4.1: The current system for priority setting at the local level in England

The 2006 Local Government White Paper, *Strong and Prosperous Communities*<sup>41</sup>, set out the Government's vision of local government providing stronger local leadership, raising local prosperity and providing public services that meet individuals' needs. In June 2008, as part of the Local Area Agreement (LAA) process, all 150 upper-tier local authorities across England negotiated and agreed with the Government up to 35 priority targets selected from the National Indicator Set. Alongside the LAA, local authorities set a range of statutory education and early years targets. Progress against the National Indicator Set will be assessed through the annual Comprehensive Area Assessment process. This is a new system and the first cycle of setting, developing and monitoring authorities has yet to be completed.

Within this national indicator set, child poverty is measured by looking at the number of children living in families on out of work benefits (indicator number NI 116). The Government is already committed to refining this indicator to ensure that low income working families are also included in this measure of poverty.

Where a local authority did not choose NI 116 as a target it can tackle poverty through a number of outcomes associated with child poverty. Although not having a specific 'child poverty' label, these indicators deal with a number of factors which are associated with child poverty and wider issues of worklessness and community deprivation. Among others, this cluster of indicators includes the take up of formal childcare by low income working families, the under 18 conception rate and the number of 16 to 17 year olds who are not in education, training or employment.

To support local authorities in delivering their LAA targets the Centre for Excellence and Outcomes for Children and Young People (C4EO) is developing tailored support for local authorities covering local approaches to tackling child poverty. This will be available from Spring 2009, providing support from within the sector, for the sector.

## 4.2 A Renewed Focus on Child Poverty at a Local Level

- 83.** *New Opportunities, Fair Chances for the Future* set out how the Government intends to increase social mobility, and included a commitment to consult on a new duty on public bodies to tackle social disadvantage. To achieve the Government's aim of social mobility we must also take specific action to end child poverty.
- 84.** Child poverty is experienced in every locality across the country. Nowhere is immune from the factors that cause it or the outcomes it creates. In some areas it appears as pockets of deprivation, in others it might be more widespread. But we know that the problems that lead to poor aspirations, experiences and poorer future outcomes are far reaching.
- 85.** Local services are best placed to tackle local problems. That is why the Government is committed to giving them the flexibility to develop local solutions. Many local partnerships have succeeded in improving children's life chances and closing the gaps between the most disadvantaged children and the rest.
- 86.** Many local authorities have already responded well to new duties to promote the wellbeing of children and young people in their areas. They have understood the particular constraints children can face in reaching their potential and recognised what is needed. And, more importantly, they have focused action on child poverty as a central part of their role in tackling deprivation and breaking inter-generational cycles of social disadvantage.
- 87.** 45 local authorities in England have already included a child poverty indicator in their LAA targets. We now have an opportunity to find out what measures we should take to increase the priority local authorities and their partners place on tackling child poverty; to drive further and accelerated action in all local areas; and to ensure this action is embedded within the wider agendas of economic development and community regeneration.
- 88.** The Government has identified three options below. These options are not mutually exclusive or exhaustive, and **the Government would welcome views on these, and on what other proposals should be considered**. Some of these would result in significant change for some local authorities. However, it is crucial that sufficient steps are taken to improve the life chances of all children. The options below relate to English local authorities; we will work with Devolved Administrations in Wales, Scotland and Northern Ireland to support action to tackle child poverty in these countries.
- 89. Option 1 – Introducing a duty on local authorities to promote action to tackle child poverty.** This would help ensure that child poverty is a priority for all local authorities and that they take the lead on action to address the issue. Local authorities could, for example, be required to:
- a) assess the local child poverty situation;
  - b) create and implement a child poverty strategy, in consultation with local partners; and/or
  - c) review and evaluate local action and progress in tackling child poverty.
- 90. Option 2 – Introducing a duty on all local public bodies to have regard to child poverty when exercising their functions.** This duty would require all local partners to

understand their role in tackling child poverty, and take this into account in planning and carrying out their mainstream activities.

91. The Government envisages that options 1 and 2 could be incorporated into existing statutory processes.
92. Performance management and accountability for the contribution of local services is not an end in itself. It can, however, demonstrate levels of priority and ensure activity is focused on what really matters and generates results. As set out in Chapter 3, it is vital that if targets and indicators are used to represent success in tackling child poverty at a local level, then action to deliver them must address the broad causes and consequences of poverty. This means driving progress on both child well-being and child outcomes, as well as on income.
93. Box 4.1 sets out the performance management framework for local authorities. In the 2008 Pre-Budget Report the Government announced that it will work with local partners to identify more clearly the wider LAA indicators that impact most directly on child poverty. Most areas already have a range of targets that can contribute to tackling child poverty. Government Offices will be working with the Child Poverty Unit during 2009 to develop a 'basket of indicators' from within the existing National Indicator Set to help local authorities see if they can use their LAA to do even more to improve outcomes for children at risk of poverty.
94. Even if local authorities do not choose to have a specific child poverty target in their LAA, performance against all National Indicators will be reported and used for purposes of assessment by the local public service inspectorates through the Comprehensive Area Assessment (CAA). Where a CAA suggests that an area is under-performing, Government and the local area can use the LAA annual review to consider whether more needs to be done to raise or reflect local ambition on child poverty in their LAA.
95. The local performance framework therefore already allows the Government and local areas to prioritise child poverty. This could be reinforced by a possible duty as per options 1 and 2 (above). The Government is considering whether these duties would be sufficient to encourage all local authorities to prioritise and take effective action on child poverty. If not, we would welcome views on whether to introduce a further option, as set out below:
96. **Option 3 – Requiring all local authorities to set a specific local child poverty target.** This option could involve either:
  - a) requiring local authorities in England to set a child poverty target focused on the percentage of children living in low income families<sup>42</sup>. While this option would focus on family income, the delivery of the target should incorporate a range of action to tackle the causes and consequences of child poverty.

or:

  - b) requiring local authorities in England to set at least one target, selected from a 'basket of indicators', related to outcomes associated with child poverty. This option reflects

42 The current local level measure of child poverty (NI 116) is the proportion of children living in families dependent on out of work benefits. This indicator will be revised to combine children living in low income working families and workless families.

the broad range of factors that contribute to poverty, and would ensure each local authority has a target on an outcome associated with child poverty while maintaining more local flexibility.

- 97.** Should the consultation responses be supportive of requiring local authorities to set a local child poverty target to ensure that all local areas prioritise action on tackling child poverty, **we would be grateful for views on how this target should be negotiated and set.**
- 98. The Government would welcome views on the three options outlined above, and in particular on:**
- **The main constraints to tackling child poverty at the local level, and how central Government can support local authorities in overcoming these constraints?**
  - **Whether the existing local performance framework is sufficient to ensure that all local areas take the necessary action to tackle child poverty? If not:**
    - **Whether in addition to the existing local performance framework, a duty on local authorities and delivery partners (options 1 and/or 2) should be introduced to incentivise more authorities to prioritise action to tackle child poverty? If so, what form should the duty take?**
    - **If this is not sufficient, whether the Government should consider requiring *all* local authorities to set a specific child poverty target or a target from a ‘basket of indicators’ (option 3)? If a target is set, we would be grateful for views on how this should be negotiated.**
  - **Are there other, more effective steps that could be taken, within or outside new legislation, to incentivise more local authorities to prioritise taking action on child poverty?**

### 4.3 The Devolved Administrations and their Local Authorities

- 99.** The Government is committed to supporting local partners across the UK to make a real difference, helping families live in safe, cohesive and prosperous communities with services that are tailored to respond to individual needs. As in England, local authorities and delivery partners in the Devolved Administrations have an important role to play in ensuring child poverty is tackled in local communities, and it is for each Administration to act as it sees fit on the devolved issues within its jurisdiction.
- 100.** In Scotland, the Concordat between the Scottish Government Convention of Scottish Local Authorities sets out the new relationship between the Scottish Government and local government. A central proposal was the creation of a Single Outcome Agreement between each council and the Scottish Government. This was based on the 15 national outcomes set out in the Scottish Government’s National Performance Framework, but reflecting local community planning priorities. There are a number of indicators relating to tackling poverty within the National Performance Framework enabling national and local government to identify and take action against inequalities in key areas such as employment, health and education.

- 101.** The National Assembly for Wales has legislative competence relating to the social welfare of children and young people up to the age of 25. As announced by the First Minister in July 2008, the Welsh Assembly Government will be proposing an Assembly Measure, to be brought forward in 2009, in respect of child poverty and vulnerable children setting out further action that will be taken to tackle child poverty.
- 102.** In Northern Ireland, local government structures are very different from those in the rest of the UK, particularly in terms of service support and delivery. The Northern Ireland Executive has recently adopted *Lifetime Opportunities*<sup>43</sup> as its overarching strategy for tackling poverty and social exclusion and remains committed to working towards the elimination of child poverty in Northern Ireland by 2020. Executive Ministers are currently considering proposals with regard to the implementation of *Lifetime Opportunities* and in particular mechanisms whereby progress against targets such as that for child poverty is monitored and reported on.
- 103.** The UK Government will continue to work closely with colleagues in all three Devolved Administrations to promote consistency in the policies that are being delivered for children across the UK.

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43 *Lifetime Opportunities – Government’s anti-poverty and social inclusion Strategy for Northern Ireland*, Office of the First Minister and Deputy First Minister



