

Children's Secretary pledges redoubled effort for 2010 target

The Secretary of State for Children, Schools and Families Ed Balls MP has given a clear recommitment to the Government's promise to halve child poverty by 2010 and end it by 2020 in a keynote address to an audience of more than 70 chief executives and senior representatives of organisations campaigning to end child poverty.

Child Poverty Action Group's Chief Executive Kate Green also spoke at the event, setting out the challenges faced by both campaigners and Government to meet the child poverty targets. She made clear the importance of meeting the 2010 target of halving child poverty.

Ed Balls acknowledged the difficult situation faced by Government and campaigners, saying 'I share your disappointment that last year's figures – for the first time since 1999 – showed an increase in the number of children living in poverty. So meeting the 2010 goal to halve child poverty and our 2020 goal to eradicate it altogether is not going to be easy'.

He reminded the audience that budgetary constraints had not prevented the Government putting in the investment for children in previous years and that they should not believe it would do now. In a clear message that the Government did not intend to be steered away from its commitments by tight public finances and growing economic uncertainty, he told the audience: 'You don't abandon your goals when the going gets tough, you redouble your efforts.'

For the 2020 target, he outlined the need for a 'broader, all-encompassing approach' that goes beyond what we can buy our way out of. He challenged cam-



Ed Balls MP, Secretary of State for Children, Schools and Families

paginers on the need for an ambitious campaign that will create the space and impetus for progress. This, he said, would need the forging of new alliances with new supporters, the support of the voluntary sector and faith groups, and a broad-based, cross-party consensus throughout the UK.

Child Poverty Action Group's Chief Executive, Kate Green, said: 'The recommitment to stick it out through hard times and meet the child poverty targets was tremendously important to the 3.8 million children living in poverty in the UK. We are hearing similar messages of commitment from the Treasury, giving a real boost of confidence and expectation that the Government will not break its promises to poor children for 2010 and 2020. Campaigners must respond to these positive messages by stepping up our efforts to increase

popular support for the eradication of child poverty.'

Inside:

- **CPAG Chief Executive, Kate Green, on the challenge for the new Work and Pensions Secretary, James Purnell**



- **The launch of Fair Pay Network**
- **Cameron 'reformed'?**
- **Scottish MPs 'attracted to' increased child benefits**



In the House

MP of the Year nominee: Simon Hughes MP

The first question of 2008 asked in the Commons was from **Simon Hughes MP** on the **Government's progress on child poverty**. In a new feature of the 'In the House' column for 2008, we are picking an MP each issue who has made a particular contribution to raising child poverty in parliament to go on a shortlist for **CPAG's MP of the Year**. In recognition to Simon for starting 2008 in Parliament in a way we hope it will continue, he is our first nominee. Honourable mentions go to **Tony Lloyd MP** for his valuable contribution in the ensuing debate on the barriers to employment facing **lone parents**, and to **Julie Morgan MP** for making this issue the focus of her later question.

John McDonnell MP has tabled EDM 877 on **Poverty in the UK** calling on the Government to 'concentrate on attacking poverty, rather than attacking the poor'. CPAG is encouraging other MPs to sign in support. You can contact your MP to ask them to support the EDM. Meanwhile, **Peter Kilfoyle MP** has attracted cross-party support for EDM 663, calling for **Child-care in the House of Commons**. Should this succeed, it would strengthen the moral case for a major national roll-out of childcare provision.

The **Child Maintenance Bill** is reaching its final stages in the House of Lords and the **Education and Skills Bill** is nearing the end of its Committee Stage in the Commons, and will arrive in the Lords later this spring.

As the newsletter went to press, the **Work and Pensions Select Committee** report *The Best start in Life?* on the **eradication of child poverty** was expected in late February, well timed to arrive before the **Budget** on 12 March.

A real Conservative plan for welfare reform?



David Cameron

David Cameron launched a new Conservative policy paper on *Work for Welfare – a real plan for welfare reform* in January.

The paper proposed that long-term claimants should work in the community to continue receiving benefits, along the lines of the 'Work for Dole' (WfD) scheme operating in Australia. An independent evaluation by the University of Melbourne concluded that 'there appear to be quite large significant adverse effects of participation in WfD'. The researchers suggested that stigma and reduced time for job search activity may be factors reducing work starts for participants.

The proposals also included a 'three-strikes and you're out' system of benefit sanctions that could result in disqualification from benefits for three years and particularly tough new measures for lone parents.

Cameron has committed his party to the aspiration of ending child poverty, as well as to measuring and taking action on relative poverty. However, many campaigners see the new proposals as a step backwards on the Conservatives' anti-poverty agenda. CPAG's Chief Executive, Kate Green, warned:

'The Conservatives should not threaten family security with an attack on welfare rights while economic storm clouds gather on the horizon. Any family could find themselves suddenly needing their welfare rights through job loss, bereavement, illness or disability. Cameron must not allow his party to be pushed towards only caring about a small and shrinking number who abuse the welfare system. Their principal focus should remain on providing high quality support and poverty protection to families keen to put their problems behind them.'

Benefit sanctions lead to health problems, says DWP report

As new Secretary of State for Work and Pensions James Purnell took office on 24 January, a report landed on his desk warning that benefit sanctions for claimants of incapacity benefits could be having adverse effects on health.

The report *Qualitative research exploring the Pathways to Work* sanctions regime found that the use of benefits sanctions in Pathways to Work areas:

- worsens existing health problems;
- provokes new mental health problems;
- has a worse impact on the most deprived and isolated people;
- rarely improves positive engagement;
- is poorly understood by people.

Child Poverty Action Group is asking the new Secretary of State for Work and Pensions to give his immediate attention to the findings of the report. Chief Executive, Kate Green, said:

'We already know that when parents are sanctioned, their children suffer from lowered family income and increased severity of poverty. The report adds concerns about the health of parents – a factor that can impact on the well-being of their children too. This is in direct conflict with the Department for Work and Pensions commitment to 'child poverty-proof' every policy. The new Minister must re-focus welfare reform around positive engagement and the protection of family security.'

The report will provide cause for all three main parties to reconsider their recent support for an increase in the use of sanctions in the benefits system.

The welfare reform challenges for James Purnell

Kate Green, Chief Executive, CPAG

New Work and Pensions Secretary James Purnell was quick to put into effect his promise to ‘accelerate and deepen’ the process of welfare reform. Within a week he’d re-called David Freud, author of last year’s review of the welfare system, to advise the Government on implementation of his proposals to privatise long-term support for benefits claimants. Freud told the Daily Telegraph that, in his view, over two million incapacity benefit claimants ought to be working, and that private companies could be incentivised to bring this about. But his proposals miss the real challenge that Purnell and the new Minister for Work, Stephen Timms, will face.

Most benefits claimants – lone parents, those in receipt of incapacity benefit – want jobs, but face major barriers to work: they can’t find the childcare they need, they haven’t got the qualifications, and employers refuse to be flexible so they can balance work and parenting responsibilities or manage a health condition.

Freud’s proposals are all about cutting the cost of the benefits bill. But Purnell and Timms have responsibility for achieving the Government’s much bolder target to eradicate child poverty. Proposals to force more people into unsuitable employment, or cut their benefits, risk plunging more families into poverty instead.

DWP ministers must work with colleagues in other departments to improve rights at work, extend access to affordable childcare and reform the benefits system so that families receive all the benefits they are entitled to – errors in the benefits system cost double the fraud that so obsesses Freud!

CPAG, together with partners in disability and lone parent organisations, is lobbying hard for welfare reform to address the real problems that the poorest and most disadvantaged families face. We have asked to meet ministers as a matter of urgency to put our message across.

ECP update: Member’s Day

The Campaign to End Child Poverty started the year with a ‘Members Day’ to plan activity in the next 15 months up to the 2009 Budget. With two Budgets to go before the 2010 target year to halve child poverty, it is vital that campaigners step up pressure on the Government over 2008.

A flurry of activity has followed in the Campaign’s working groups. Details of the planned activities will be announced soon, but prepare to clear your diary for regional events in the next few months and a major national event in the autumn.

Laura Payne, Campaign Co-ordinator said: ‘We were delighted with the commitment and enthusiasm for our plans shown by our members and the many offers of assistance that came on the day. Our member organisations, including CPAG, represent over 13 million individuals and it is vital for everyone to get involved. The next year is crucial if we are to keep the Government to its promise.’

Launch of Fair Pay Network

CPAG is part of a new coalition launching The Fair Pay Network in late February. The Network is a new national campaigning coalition dedicated to raising awareness of the importance of addressing low pay to end poverty in the UK. It will address the cost of a low-pay culture to society, highlighting the positive business case for fair pay and decent terms and conditions. It will also focus on persuading consumers, local authorities and Government of the need to tackle the issue of low pay and its negative effects for families.

Mark Donne, director of the Network said: ‘When two-thirds of households living below the poverty line have at least one person in work – a figure that is rising – it is clear that work itself is not a route out of poverty. Almost 300,000 people are known by Government not to be receiving the national minimum wage and a vast section of the workforce is beneath the radar suffering the lamentable practices of employment agencies. Minimum wage enforcement must be taken more seriously.’

The Network will seek to engage local authorities to look directly at their outsourced labour chains and the systematic low pay of key workers, like carers in the social care sector. It will lobby for transparent pay levels, using best practice examples to encourage decent pay and conditions, which can boost productivity and lower personnel turnover.

Ultimately, the Network’s vision is to change the terms of debate around low pay. Its message to policy makers, local authorities and employers is simple: ‘Fair Play – Fair Pay’. There is nothing fair about a labour market culture of low pay or the unsustainable inequality of wealth in twenty-first century Britain.

Member organisations include: Counsel and Care, The Fawcett Society, One Parent Families | Gingerbread, TUC, NUS, Unison, Equanomics, Unite, CPAG, the New Policy Institute, London Citizens, UK Coalition against Poverty, Oxfam, The National Group on Home-working and the Migrants Rights Network.

See www.fairpaynetwork.org for more information.

Disabled children and fuel poverty campaign

CPAG has joined with Every Disabled Child Matters and disability charities to campaign for an extension of winter fuel payments to families with disabled young children.

Currently only pensioners receive the winter fuel payment, worth £300 each winter. But research by Contact a Family shows that two-thirds of families with disabled children struggle to pay winter bills and one in 10 have had fuel supplies cut off. Steep rises in the cost of domestic fuel are putting even more pressure on these families.

Following the Parliamentary Hearings on services for disabled children in October 2006, MPs recommended that ‘Government should give serious consideration to extending winter fuel grants to parents of disabled children on benefits, particularly those with disabled children under five who are at home all day and hence are incurring significant additional heating costs’. We are calling on the Government to fund piloting of this proposal in the forthcoming Budget.

Scottish Government launches poverty discussion paper

Your donations make a difference

Child Poverty Action Group is a charity promoting action for the relief directly or indirectly of poverty among children and families with children. We aim 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;
- enable those eligible for income maintenance to have access to their full entitlement.

Your donation will help us to fight the injustice of poverty: improving children's lives today and helping to abolish child poverty tomorrow.

Please make a donation

- Send us a **cheque, postal order** or **Charities Aid Foundation** voucher made payable to 'Child Poverty Action Group'.
- By **credit card** online at www.cpag.org.uk.
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For more information visit our website www.cpag.org.uk, email staff@cpag.org.uk or write to CPAG, 94 White Lion Street, London N1 9PF.

Welcoming a Scottish Government discussion paper on *Tackling Poverty, Inequality and Deprivation* published in January, John Dickie, Head of CPAG in Scotland, said:

'It's good to see the Scottish Government put tackling poverty and inequality at the heart of its economic strategy. But a growing economy won't lead to less poverty unless there is real action to back up ministers' commitments. As the paper makes clear, action is needed to tackle the low pay and lack of childcare that all too often undermine work as a route out of poverty, and to provide the advice families need to get the tax credits and benefits they are entitled to'.

Several MPs referred to CPAG in Scotland's briefing when the issue was raised in a Scottish Parliament debate. CPAG in Scotland believes a new funding arrangement with local government means it is imperative that strong mechanisms are put in place to ensure council spending reaches Scotland's poorest families.

The Scottish Government's discussion paper can be found at www.scotland.gov.uk/publications/2008/01/30131443/o.

MPs focus on child poverty in Scotland

A report from the Scottish Affairs Committee calling on ministers to be 'cautious' in suggesting all parents are expected to work was published this month. The MPs also demanded 'significantly more resources' to halve child poverty by 2010, saying they are 'attracted to' the Make Child Benefit Count proposal to raise child benefit for younger children to match the amount for a family's oldest child.

John Dickie, Head of CPAG in Scotland, welcomed the suggestion, saying:

'Increasing child benefit so all children get the higher rate would lift up to 30,000 children out of poverty in Scotland alone. As the Committee notes, child benefit has a high take-up rate and helps many of the poorest families who often miss out on means-tested benefits'.

CPAG in Scotland also welcomed the Committee's conclusions that:

- Government must increase the take-up of benefits and tax credits;
- tax and benefits system must ensure no one in full-time work lives in poverty;
- age discrimination in the tax and benefits systems should end;
- Government must remove barriers to entering work, including increasing access to affordable childcare.
- Westminster must work with the Scottish Government and local authorities in a 'joined-up approach' to child poverty.

Meanwhile, CPAG in Scotland contributed to a very productive roundtable discussion with Scotland Office Minister David Cairns, new Welfare Reform Minister Stephen Timms, and 22 Scottish MPs, exploring solutions to child poverty in Scotland and the role of various layers of Government in implementing those solutions. Scotland Office Minister David Cairns said:

'This meeting reflects the legitimate and vital role that the UK Government and Members of Parliament have in tackling poverty – many of the direct levers for doing so, such as the benefits and tax credit system, sit with the UK Government. We intend this to mark the start of regular engagement'.



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