

A guide to the Child Poverty Bill

The Child Poverty Bill was first announced by Gordon Brown in September 2008, and introduced to Parliament in July 2009. It has now had its first Parliamentary debate (its so-called ‘second reading’) and will go into committee stage after MPs return from their summer recess in October. The legislation will be debated over the forthcoming months and is likely to be passed before the next general election. Not only does the Bill have the support from all three major political parties, but CPAG and other organisations concerned about child poverty have welcomed it. Paul Dornan outlines what it contains.



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THE CHILD POVERTY BILL requires the UK, Scottish and Northern Ireland governments to put in place strategies that describe the activities to be undertaken to tackle child poverty. (The Welsh Government is already introducing similar requirements so it is not being requested to duplicate these at a UK level. This means that much of the legislation refers to Northern Ireland and Scotland but not Wales.) These strategies should lay out policies, and the impact these are expected to have on child poverty against target indicators. Quantified estimates of the impact of given strategies should provide progress ‘milestones’.

The legislation does not prescribe the types of policy to be undertaken (leaving that to be determined by the government of the day), but it does lay out a number of ‘building blocks’ which the Government is required to address within its strategies. Although these do not appear to preclude other activity, they are intended to be the cornerstones of future strategies. Clause 8 subsection 5 states:

In preparing a UK strategy, the Secretary of State must consider what (if any) measures ought to be taken in each of the following areas –

(a) the promotion and facilitation of the employment of parents or of the development of the skills of parents,

(b) the provision of financial support for children and parents,

(c) health, education and social services, and

(d) housing, the built or natural environment and the promotion of social inclusion.

The Government is required to report annually to Parliament on each of the child poverty measures. This is welcome – both for accountability and to force Parliamentarians to debate poverty policy on a regular basis.

Measuring child poverty and defining ‘eradication’

There have been a number of ways in which child poverty has been defined, or redefined, since the initial commitment to eradicate it in 1999. For the purpose of the initial target to reduce child poverty, it was defined in relative low income terms (that is, children living in households with needs-adjusted incomes below 60 per cent of the median concurrent income), with the measure taken before and after housing costs. A 2003 consultation¹ set the eventual measure of child poverty for the purpose of the 2010 target to halve child poverty. This is now three-tiered, with a relative low income measure, a measure encompassing relative low income and material deprivation, and a tracker measure tracing children living in households with very low incomes (the absolute

low income measure). Following the 2003 consultation, all measures were before housing costs only, and this is echoed in the new legislation. The Government argues that this allows European comparisons, although CPAG and other commentators are critical of a measurement that deflects attention from the impact of high housing costs on disposable incomes which compound the experience of child poverty.

The new legislation proposes four measures. The relative low income measure and the relative low income and material deprivation measures remain central. The absolute income measure (previously the tracker index) is given greater prominence, and a new measure of persistent poverty (children living in households which report low income in a number of years running) will be introduced.

The 2003 consultation suggested that there should be an 'end-point' definition in 2020, with eradication meaning that we have a child poverty rate that is among the best in Europe, although it was not clear what this would mean in percentage terms (since other countries' child poverty rates change). The new Bill proposes an end-point definition for the relative low income target of 10 per cent of children, and a combined low income and material deprivation target and an absolute low income target of less than 5 per cent of children. The new persistent poverty measure has not been defined (because the survey on which it will be based is very new), and neither has the end point.

Child poverty and the devolved powers

The devolved settlement between the UK and its constituent countries has generated difficulties with accountability and responsibility because policy levers that can affect children's lives are shared across the UK. The legislation going through the UK Parliament will be binding at a UK level. One of the apparent successes of the legislation has been the buy-in from the devolved administrations.

It has long been a concern that different parts of government should work constructively together to deal with child poverty as it is affected by many areas of decision making. Devolution has, however, meant that social policy in the different countries can develop in different ways, such as the Scottish Government extending free school meals beyond what is available elsewhere in the UK. With the new legislation, the UK, Northern Ireland and Scotland Governments (and also the Welsh Assembly Government through separate legislation) will be required to establish strategies on their own contribution

to tackling child poverty and to consult with each other.

The Child Poverty Commission

The legislation puts in place a Child Poverty Commission to provide advice to the UK Government and to the Scottish and Northern Irish authorities on their child poverty strategies. The Child Poverty Commission is, therefore, required to provide advice and the Government is required to have regard to the advice given (though not necessarily to follow it). It is understood that the Commission's advice will be published and it will be important to see how seriously governments take the advice given.

It is envisaged that the Commission will be made up of government-appointed Commissioners and will include people who have experience or knowledge of research, policy and work with families experiencing poverty.

Local action on child poverty

One new aspect of the child poverty legislation is that it extends the responsibilities of local authorities (but only in England, as in Scotland the relationship between local authorities and the Scottish Government is different, and in Wales the Welsh Assembly Government is already working to increase local authority action). Other public bodies will also be required to co-operate with local authorities to tackle child poverty.

English local authorities² have been able to choose a specific focus on child poverty as part of the local area agreement priority setting (the so-called National Indicator 116 on reducing child poverty). However, this indicator has been narrowly drawn (the measure only relates to out-of-work benefits), and as local authorities have been able to choose whether or not to focus on child poverty, not all of them have done so.

The legislation requires authorities to conduct a child poverty needs assessment (although how this is will be done is left to regulations), and put in place a joint strategy. This part of the Bill opens up opportunities for campaigners on child poverty to challenge local authorities in their areas to ensure that local planning and service delivery helps combat child poverty. (CPAG has developed a Child Poverty Toolkit, containing policy material and local data,³ to help understand what can be done at a local level to tackle child poverty.)

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What is the chance of success?

CPAG and others have welcomed the legislation as a necessary, but not sufficient, way of improving the child poverty strategy. Putting this key commitment into law is an important signal that the UK cannot continue to damage and to waste its most precious resource – its children – either now or in the future. The Bill creates a framework to help focus attention on a key national priority.

In the forthcoming stages, CPAG will be lobbying hard to influence and to strengthen the legislation. Beyond that, all those concerned about child poverty need to maintain the pressure on politicians of all parties to make the legislation work. In particular, CPAG is arguing for the following.

- The teeth of the Child Poverty Commission must be sharpened to improve policy and delivery on child poverty. This includes ensuring it has an adequate budget and is set up as soon as practical. The Government should make it clear when it has followed the Commission's advice and, if not, why not.
- The Government must justify why the Bill allows for 'economic and fiscal circumstances' to be taken into consideration when developing policy, while arguing that this will not impact on the duty to meet the 2020 target.
- The proposed definition of eradication should be challenged. Having 10 per cent of children living in poverty is some way from eradication, and downgrades the aspiration. Changes in family incomes make it impossible to reach zero child poverty on the measures suggested, but one in ten children experiencing poverty is far too high a number to tolerate.
- There needs to be more information about how local authorities and their partners will be supported and challenged to do more on child poverty.
- There must be an assurance that, alongside the statistical measures, the Government will be required to report on the position of those children at greatest risk of child poverty and those whose position may not be well reflected in survey figures (such as the children of migrants, those from particular minority ethnic groups or those children affected by disabilities).
- Both the consultation process for drawing up the strategies and the Child Poverty Commission should represent the voices of families who have experienced or who are experiencing poverty.

The Child Poverty Bill

Part 1

- **Clause 1** commits the UK Government to a 2020 target of eradicating child poverty. Later clauses commit the Government to preventing child poverty from rising again after 2020.
- Clauses in Part 1 define child poverty in terms of four specified targets (relative low income; combined low income and material deprivation; absolute low income and persistent poverty). The legislation requires annual reporting on these measures.
- **Clause 7** establishes a Child Poverty Commission to provide advice to governments (both UK and devolved) on the child poverty strategy.
- The legislation requires governments (both UK-wide, Scottish and Northern Irish) to produce strategies on child poverty. These strategies (published every three years) must lay out not only the policy, but the expected progress over a given period covered by the strategy. The strategies require thought to go into key 'building blocks', including parental employment and skills, financial support, public service interventions and housing.
- **Clause 15** has prompted controversy by emphasising 'economic and fiscal circumstances' (and so affordability) and, although this does not seem to have an impact on the 2020 target, it does require governments to consider the economic and fiscal implications of particular policy choices.

Part 2

- Clauses within Part 2 define who is responsible for local action (in England), giving the lead to upper-tier local authorities, but also requiring them to identify and co-operate with partner authorities (defined as transport authorities, primary care trusts, police authorities, Jobcentre Plus and others) when developing child poverty strategies.
- **Clause 21** requires responsible local authorities to draw up 'local child poverty needs assessments' (details about what this means are left to regulations, although the parameters are sketched in the legislation).
- Part 2 lays out the provision for local joint child poverty strategies aimed at 'reducing, and mitigating the effects of, child poverty'.

Part 3 provides for various interpretation and regulation-making powers.

Schedule 1 describes the make-up of the Child Poverty Commission, which will advise the Government on its strategy.

Schedule 2 describes what happens after 2020 and suggests the targets will continue to have an effect after 2020.

Conclusion

The fact that child poverty is lower in other countries than in the UK and has been lower in the past than it is today show that there is nothing inevitable about child poverty. Reductions in the overall child poverty rate since 1999 have been far too small and slow. The Government is currently well off track from the 2010 target to halve child poverty. However, the progress made shows that policy can work to reduce child poverty. While it is by no means clear that the child poverty legislation will succeed in its ambition, it is clear that, with political will from

all parties, it could do so. But while the legislation creates a framework, poverty cannot be simply willed away – it needs political commitment. So while the legislation is by no means perfect and campaigners should not assume that it will lead to success, we should take heart from the opportunities for tackling child poverty that the Bill creates. ■

Paul Dornan was Head of Policy and Research at CPAG at time of writing

You can read a copy of the Bill and its explanatory notes at

<http://www.dcsf.gov.uk/everychildmatters/strategy/parents/childpoverty/>

The Hansard record of the second reading debate in the House of Commons is at <http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090720/debtext/90720-0007.htm>

CPAG's briefing on the Bill written for the Parliamentary debate is available at http://www.cpag.org.uk/info/briefings_policy.htm

1 Department for Work and Pensions, *Measuring Child Poverty*, 2003

2 Like the child poverty legislation, this relates to so-called upper-tier authorities – including, for instance, county councils rather than district councils

3 See www.childpovertytoolkit.org.uk

Child Poverty Bill – parliamentary debate

A lively debate on the Child Poverty Bill in the House of Commons suggests that eradicating child poverty is now a priority for all political parties. However, agreement on its causes, consequences and solutions remain elusive.

During a sometimes acrimonious but well informed discussion, a number of important issues were flagged up by MPs from all three of the main political parties. The Government stressed the need to build upon what has been achieved, the Conservatives focused on policies that support families, while the Lib Dems flagged up the need to improve both the adequacy and take up of benefits.

A number of issues close to CPAG's heart emerged during the course of the debate. For the Lib Dems, Steve Webb MP pointed out: 'If there is a goal to abolish child poverty in a meaningful sense, and benefit levels are below 60 per cent of the median, some families will always be in child poverty. Even with the most benign economic environment, significant numbers of families will probably always be on benefit.' John Barrett MP (Lib Dems) asked whether 'one way of getting more people out of poverty would be to ensure that means-tested benefits were given out, including to those in work? The DWP admits that £10 billion of unclaimed benefits are waiting to be used. That would be one way of reducing the numbers of those in poverty.' While for Labour, Karen Buck expressed disquiet that 'we believe that simply driving parents into employment without ensuring that that work pays will somehow tackle poverty – it will not. It will simply move a parent from out-of-work poverty to in-work poverty.'

For the Conservatives, Theresa May, Shadow Secretary of State for Work and Pensions, announced that, 'Eradicating child poverty is an ambitious but important aspiration for any government of this country. Not only is it an economic imperative, as no advanced economy can afford to waste the potential of so many of its citizens, more importantly it is a moral imperative, as no decent society should allow children to grow up in poverty.' However, she added: 'I do not believe that simply legislating to end child poverty will make that happen,' and criticised 'a one-dimensional approach that focused solely on tax credits'. She argued, 'Poverty is a complex and stubborn blight on our nation, and we will not eliminate it until we recognise its

causes and tackle them head on. That means supporting the family as the most important institution in our society. It means tackling generational worklessness and welfare dependency. It means ending the failures of our education system, which result in so much wasted talent. It means working with local government, businesses and the voluntary sector in all parts of the country.'

However, while Karen Buck agreed that the causes of child poverty 'are complex and multifaceted, and we need to look at education, relationships and so forth to deal with them', she added 'but we will lift people out of poverty by making sure that they have more money. It is a no-brainer.'

Commenting on the economic situation, Steve Webb observed that: 'The idea that the Government might say, "Well, child poverty is terrible, but we are broke," really would cause fundamental doubt about the whole Bill.' Although Mark Harper the Conservative MP commented, 'We are broke', a passionate Jamie Reed MP (Labour) pointed out that there were no justifications or excuses for child poverty. He concluded:

'Each and every one of us in the House should be plagued by the presence of child poverty in our country of wealth and abundance. It should haunt our sleep and terrorise our waking moments, because child poverty is not a choice, and nowhere in the country is it inexorable or unavoidable. Child poverty is a consequence of our actions. It is an illustration of our failings, and for members of my party its defeat is a cause worth devoting the rest of our lives to. However, in doing so, we must remember that the longer it takes to defeat child poverty, the harder victory will become. The truth is that we should have done more. A combination of sufficient resources and political determination made it possible. Politics is about priorities and choices. The fact that 40 years after conquering the moon we should still be discussing the spectre of child poverty is a sickening tragedy and a savage indictment of our society, so let us choose to do more. Let us choose to defeat child poverty and to do so before 2020.' ■

Gabrielle Preston, CPAG