



The best start in life? Alleviating deprivation, improving social mobility and eradicating child poverty

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Introduction

1. On the 23 July 2007, the House of Commons Work and Pensions Committee announced that it was holding a new inquiry into the progress against the Government's target to halve the number of children living in relative low-income households between 1998/99 and 2010/11, on the way to eradicating child poverty by 2020; and to what extent the proposals in the Government's Report *Working for Children*¹ in response to Lisa Harker's independent review *Delivering on Child Poverty: what would it take?* are the right way forward.
2. This paper is CPAG's written submission to the inquiry. It draws upon a number of analyses we have produced on areas of specific policy. This includes our Manifesto *Ten Steps to a Society Free of Child Poverty* (2005), *At Greatest Risk: the Children most likely to be poor* (2005), *Comprehensive spending review 2007 What it needs to deliver on child poverty* (2006) and our forthcoming response to the Government's Green Paper on welfare reform. It does not respond to all of the areas of interest to the inquiry. Instead, it focuses on those areas of greatest interest to CPAG: the progress the Government is making against child poverty, what the Government is doing to support the groups at greatest risk of poverty and if this is enough. It also sets out the policies we believe are necessary to end child poverty and asks whether the proposals contained in the Government's Green Paper is the right way forward, especially for lone parents.
3. Although the focus of the inquiry is progress against child poverty, CPAG believes that this cannot be separated from the progress the Government is making against inequality. And here the evidence suggests that we are moving backwards. Recent research by the Joseph Rowntree Foundation shows inequality has reached its highest levels in over 40 years.² Research by the Institute for Fiscal Studies paints a similar picture: income inequality has reached its highest level since 2001-02, and is significantly higher than that which the Labour Government inherited.³ Moreover, social mobility appears to be declining in the UK. Boys born in 1970 are less mobile than those born in 1958. The report's authors believe that part of the reason for the decline is the strong and increasing relationship between family income and educational attainment.⁴ Our own recent study, *Chicken and Egg: child poverty and educational inequalities*, graphically demonstrates this link. Without tackling the huge inequalities in British society, CPAG cannot see how the Government will be able to create the virtuous circle which will lift children out of poverty and contribute to meeting the 2020 target.

The Government's record on child poverty

4. The Government has made substantial progress in the eight years since former Prime Minister Tony Blair made his historic pledge to eradicate child poverty. Between 1996/97 and 2005/06, child poverty fell by 500,000 after housing costs and 600,000 before housing costs. Nevertheless, child poverty remains unacceptably high and, as we discovered last year, the Government failed to achieve its target of reducing child poverty by a quarter between 1998/99 and 2004/05. To make matters worse, the latest low income figures, published in March 2007, show that child poverty actually rose between 2004/05 and 2005/06 – the first increase in child poverty since 1998/99.

5. The rise in child poverty and the failure to meet the first child poverty target means that it will now be much more difficult for the Government to meet its second target of halving child poverty between 1998/99 and 2010/11. The Institute for Fiscal Studies calculates that for the Government to meet its next target will require child poverty to fall by an average of 200,000 in each of the next five years, after annual falls of less than 100,000 over the past seven years. It predicts that additional new spending of around £4 billion a year by 2010/11 is need for the Government to have a 50:50 chance of meeting its target⁵.

At Greatest Risk of Poverty

6. The Work and Pensions Committee has listed among its particular areas of interest whether the Government is doing enough to support lone parents, unemployed partners, parents of disabled children and disabled parents. CPAG believes that the Government is not doing enough to support these groups. We also believe that the Government is not doing enough to support other groups. CPAG's publication, *At Greatest Risk*, identified those groups of children who were at greatest risk of child poverty and looked at how to tackle the particular issues that most affect them. The challenge for the Government is to drive overall policy to deliver for these most vulnerable children.

Large families

7. Studies have consistently found that children in large families are at far greater risk of poverty than children from small families. According to the Family Resources Survey, nearly half (47%) of children in families with four or more children were poor⁶, compared with just over a quarter (27%) in one-child families.⁷ It has been calculated that – other things being equal - a child in a 3+ child family in 2004/05 was between 50-180 per cent more likely than a child in a one-parent family to be poor and that a child in a 4+ child family was between 280-800 per cent more likely to be poor than a child in a one-child family.⁸ As our publication *Child Benefit: fit for the future* points out, there is an overlap between large families and other groups at risk of poverty (such as younger children, minority ethnic groups, those living on benefit and social tenants). Nevertheless, being in a large family is still a specific driver of living in poverty.
8. The Government has a “*long-term aspiration to improve the financial support available to large families.*”⁹ Research for the Joseph Rowntree Foundation simulated six possible policy changes in order to explore how the Government might achieve this, and at what cost; it found that increasing Child Benefit to the same level for each child (Child Benefit is paid at a higher rate for the first child in the family) and then increasing the benefit for the third and subsequent child by £20 per week would achieve the best outcome in terms of equity for large families.¹⁰
9. The UK child poverty rate for large families is among the highest in the OECD. Still, figures show that child poverty in large families has been falling since 1998/99.¹¹ This is likely to be as a result of both rising employment and tax credit increases. We welcome this but much more still needs to be done, for example by addressing the first-child bias in child benefit, the tax credit family element (this is paid at the same rate no matter how many children there are in the family) and childcare subsidy (there is no extra help for parents with three or more children).

Children with disabilities

10. There are over three-quarters of a million disabled children in the UK. While not all disabled children will experience poverty, they are more likely than their non-disabled peers to live in poverty as a result of lower incomes (because parents need to look after disabled children and so cannot work) and the impact of disability-related additional costs. Current statistics indicate that over one million children living in poverty are affected by disability.¹²
11. CPAG welcomes the focus being given to this group by the Government and the recent announcement of a £340 million package to improve outcomes for disabled children¹³. However, as our recent publication, *Out of reach: benefits for disabled children* shows, the Government's attempts to improve the lives of disabled children are not having the maximum impact. In particular, it questions whether the Government is making the best use of disability living allowance (DLA) to draw such families out of poverty.
12. The report indicates that the lack of information about DLA, the onerous nature of claiming and reassessments, and the stigma associated with being on benefits all have a negative impact on take-up. Many families are put off from claiming DLA because of complex and cumbersome forms that are difficult to obtain, and difficult or stigmatising to fill in. Poor decision making also creates problems for families and generates a high number of appeals.
13. *Out of reach* concludes that the benefit system must be improved so that it is more responsive to family needs and less punishing. This can be achieved without significant structural changes. The following issues need to be addressed:
 - *Take-up*. The Department for Work and Pensions (DWP) should measure take up of DLA, set a target to increase it, and should fund and implement effective campaign work to achieve fuller take-up. This should include a national information campaign, underpinned by support with form filling, applications and tribunals
 - *Delivery*. The DWP should improve the level of decision making and training. Disability awareness around childhood conditions such as autism and ADHD, must be improved.
 - *Structure*. The DWP should explore ways of reducing the complexity and simplifying the administration of DLA to make it more accessible to families. Forms that reflect children's different needs and longer awards would increase take-up, reduce the time and stress involved in applying for DLA, and limit the need for endless applications. This would prevent so many families cycling on and off benefit, which results in significant fluctuation in income.
 - *Adequacy*. The amount of support provided by DLA and passported entitlements - particularly carer's allowance – should be reviewed in line with research findings on additional costs. This would bring the income of the disabled children closer to that of non-disabled children. Action should be taken to avoid significant fluctuations in income because of the sudden reduction or removal of support.

14. Drawing on the recommendations of *Out of Reach*, the Disability and Carers Service at the DWP is currently looking at how to simplify and the decision making process for families with disabled children. CPAG welcomes this helpful development.

Children with disabled parents

15. Children with disabled parents face a significantly higher risk of living in poverty living in poverty than those of non-disabled parents. It is estimated that about 700,000 children of disabled parents were living in poverty in 2005/06 before housing costs and 930,000 after housing costs¹⁴. The main reason for this is the key role that work plays in keeping families out of poverty. Disabled parents are much less likely to be in paid work, and also suffer the impact of additional disability-related costs which sap family budgets. Although the benefit system provides higher support for disabled parents than for non-disabled parents, spells of poverty are likely to be much longer for children of disabled parents. And, when the parents of disabled children move into work, the risk of in-work poverty is higher than for non-disabled parents. One reason for this is that disabled parents are more likely to have to take relatively low-paid, part-time and insecure work compared with non-disabled parents.
16. CPAG supports government policy to increase the opportunity and support (through Pathways to Work) for those workless disabled adults who are able and willing to work. However, we have considerable concerns about the approach being taken to reform incapacity benefit and, as with lone parents, the use of sanctions around employment programmes and the role of non-state contracted providers in influencing or enforcing decisions. We believe that the key to increasing the employment rate of disabled adults is to offer effective support and engage with employers to ensure adequate jobs are available. Attempting to force disabled adults into work risks undermining good will, leaving people in unsustainable employment and increasing stress, while doing nothing to reduce poverty.

Black and minority ethnic children

17. Households Below Average Income (HBAI) statistics show that children living in households headed by someone from an ethnic minority are more likely to be living in a poor household. This is particularly the case for those households headed by someone of Pakistani or Bangladeshi origin, where well over half the children (58 per cent) are living in poverty on the before housing costs measure, and two-thirds (66 per cent) on the after housing costs measure¹⁵.
18. *At Greatest Risk*¹⁶ points out the greater likelihood of poverty among minority ethnic groups is the consequence of a number of factors, including: higher than average unemployment levels: minority ethnic communities largely remain residentially concentrated in inner cities where recession and industrial restructuring have weakened or destroyed older industrial sectors; racism in the selection of people for jobs or redundancy; the greater likelihood of being in low-paid work; inadequate health and housing provision; and, more recently, restrictions on State financial help for refugees and asylum seekers.

Traveller and gypsy children

19. There is a severe lack of robust quantitative data on Gypsy and Traveller families, including poverty, reflecting their general exclusion and 'invisibility'. For example, the Department for Work and Pensions has no separate data on Gypsy and Traveller work patterns or unemployment rates. And, until recently, successive governments have failed to include Gypsies and Travellers in national anti-poverty social exclusion/inclusion agendas. Also, they have tended to be sidelined in local anti-poverty strategies.¹⁷ However, since 2003/04 there have been some positive moves including Social Exclusion Unit engagement with 'frequent movers', the work of the Institute for Public Policy Research (IPPR)¹⁸ on site provision and the targeting of anti-Gypsy and Traveller racism as urgent priorities in equalities debates by the Commission for Racial Equality (CRE).¹⁹
20. Despite the paucity of robust data on the income of Gypsy Traveller families, both practice knowledge and other studies show that some families have few financial resources. Moreover, there has been a decline in previous economic outlets for Gypsy and Travellers, particularly in the crowded urban environments.²⁰ Added to this, restrictions on travelling and on working activities on official sites have undermined aspects of the Traveller economy.²¹ Many find that simply being a Gypsy or Traveller, and lacking basic literacy skills, prevents them from accessing mainstream wage labour jobs or training.
21. Because of this, access to social security benefits is important for some families. However, research has shown levels of discrimination and disadvantage in accessing the benefit system for those who are frequently nomadic.²² One writer²³ has referred to specific surveillance directed towards Gypsies and Travellers on the assumption that they commit benefit fraud, with the result that families can be denied benefit where there is little, if any, evidence of actual fraud.

Children leaving care

22. Young people leaving care are one of the most disadvantaged groups of young people in society. Many have experienced abuse, neglect or difficulties at home, but also coming into care has often failed to compensate many of these young people, so by the time they leave – often at a far younger age than other young people leave home – their life chances are very poor. Research has shown that many are likely to face multiple disadvantages including poverty.²⁴ This is a consequence of their pre-care, in-care, leaving care and after-care 'life course' experiences including: their poor family backgrounds and damaging intra-family experiences, including abuse and neglect; the failure of care to provide stability and compensate young people in care; low levels of educational attainment and post-16 participation; leaving care at a younger age than other young people leave home; being a young householder, moving often and experiencing homelessness; and being a young parent.
23. Since the introduction of the Children (Leaving Care) Act 2000 there is evidence of progress in three areas: young people leaving care later; improved qualifications; and improved participation in further education.²⁵ But there is still a substantial gap between care leavers and other young people in respect of these and other areas. CPAG therefore welcomes the Government's commitment to address this problem and its package of proposals for change set out in the *Green Paper Care Matters: Transforming the Lives of Children and Young People in Care*. However, as we pointed out in our response to the Green Paper²⁶, much

greater emphasis needs to be placed on safeguarding children moving out of care into income poverty. For example all young people aged 16 plus who do not live at home should be entitled to claim adult rates of income support and jobseekers' allowance, and rates should be reviewed so that they safeguard recipients from poverty. Moreover, more support is needed to avoid children having to move into care in the first place.

Asylum seekers

24. CPAG believes that Government asylum policy directly conflicts with policies on child welfare, social inclusion and anti-discrimination. The difference in treatment of asylum seeker families is highlighted in a recent report from researchers at the London School of Economics.²⁷ It found that while poverty had been alleviated for some vulnerable groups over the last seven years, asylum policies have led to a reduction in rights for this group in employment, health services, income and housing. According to the report, policies introduced by the Government have helped to make asylum seekers the most socially excluded group in Britain.

Policies to end child poverty

25. Below we set out the policies that CPAG believe are necessary to halve child poverty by 2010 and end it by 2020:
- a) *Provide most for those for those children at greatest risk of poverty.* These are children living in large families, children with disabilities, children with disabled parents, black and minority ethnic children, traveller and gypsy children, children leaving care and asylum seeker children.
 - b) *Work towards better jobs, not just more jobs.* As the Harker report argues, more effort needs to be put into looking beyond the work-first approach and towards measures that tackle in-work poverty, improve job sustainability, and prevent cycling in and out of employment.
 - c) *Ensure the safety net protects families against poverty.* Despite substantial recent increases to benefits for children, the package of financial support for families remains inadequate to protect against poverty and social exclusion. This is most starkly demonstrated by the total value of benefits and tax credit entitlements – very often less than the official poverty line.
 - d) *Increase the value of adult payments within income support in line with those for children.* The failure to uprate benefits in line with societal living standards - but instead with (lower) price inflation - has resulted in adult payments in income support losing their relative value against average earnings. Although adults in families with children receive additional child elements which have, in recent times, risen in value more rapidly, the effect on the total sum of combining both adult benefits (which have been falling in value as a proportion of wages) and the smaller child elements (which have been growing as a proportion of average earnings) dampens the overall family income increase considerably. Child poverty cannot be tackled without a broader focus on family poverty: to address family poverty and the poverty of childless adults who may, in due course, become parents, income support needs to be raised and its uprating then needs to be on a par with benefits for children. CPAG welcomes the Government's plans to give a one-off payment

to women when they are seven months pregnant. We particularly welcome the intention for it to be paid to expectant mothers, regardless of income.

- e) *Maximise the contribution of child benefit within family support.* Within the package of support to families with children, the balance between money provided through the twin foundations of child benefit and means-tested child tax credit needs to be right. CPAG believes that this balance is presently wrong and is therefore calling for the subsequent rate of child benefit for second children to be raised to the first, which has been modelled to lift between 250,000 and 300,000 children out of poverty.
- f) *Introduce free at the point of delivery good-quality childcare.* The problem with current policy is that it falls down before two hurdles: excessive expense and inadequate supply. Both factors bear most heavily on the poorest. The lack of affordable good quality childcare in deprived areas is particularly pertinent given the Government's proposals to require lone parents with older children to register for work. In the short term, sustainable ways must be sought of making childcare available in deprived areas, as well as ensuring a greater variety of provision to meet need. The longer term ambition should be universal childcare, free at the point of delivery.
- g) *Make the reduction of child poverty central to the new child support policies.* Child poverty cannot be tackled without effective child support policies. Following the reporting of Sir David Henshaw's review into child support, CPAG argued that for child support to effectively assist the reduction of child poverty, the following principles should be reflected within reform: deliver adequate and stable maintenance, even if it is difficult to enforce collection, consider the needs and ability to pay of second families – reform should not reduce poverty for one group of children by increasing it among another group of children and minimise conflict between parents – conflict is acknowledged to be highly damaging for children's wellbeing. CPAG further argued that the Child Maintenance Premium should be extended to those in receipt of benefits (not just the new scheme cases) and that all maintenance should be disregarded when assessing entitlement to income support, as it is for child tax credit. We do not believe that the Child Maintenance Bill presently before Parliament will fully safeguard the interests of children in poverty. In particular, we are concerned about the encouragement of voluntary arrangements between resident and non-resident parents, which may result in parents with care losing out, and the lack of a guarantee that all maintenance will be disregarded for those on income support.
- h) *Provide benefit entitlement to all UK residents equally, irrespective of immigration status.* Those seeking asylum receive a lower entitlement to financial assistance than British citizens. Parents seeking asylum are also prohibited from working until their asylum application is resolved – there is no option here for work as the route out of poverty. The key to reducing the additional risk of poverty faced by children subject to immigration control is to provide them with the same rights to social security and tax credits as are received by British citizens. Furthermore, for this group to be brought into line with the population as a whole, the restriction on paid work should be removed.
- i) *Reduce the disproportionate balance of taxation on poorer families.* The very poorest households pay a higher proportion of their income in taxes than the

richest households. This is because indirect taxes on goods – unlike income tax and national insurance – tend not to be based on ability to pay. It is not just indirect tax that is regressive: council tax costs proportionately more to the poor than to the rich, even after council tax benefit. Addressing the tax balance is complicated, but vital to ensure we have a truly progressive taxation system that does not undermine anti-poverty policy.

- j) *Improve the quality of delivery and gear it to the needs of the poorest families.* To support the policy developments called for elsewhere in this submission, CPAG believes that greater attention needs to be given to the mechanics of how policy is implemented. Significant delivery problems have been occurring in Jobcentre Plus, the tax credit system and the Child Support Agency. Examples of current problems are not hard to find – for instance the delivery of child support policy has been widely criticised. Significant problems – both policy and administrative – also continue to afflict the tax credit system. The DWP has announced it will poverty-proof new policy. We believe that this should extend both to policy and the administrative mechanisms of delivery.
- k) *Ensure that new educational funding is targeted at children from the poorest backgrounds.* CPAG's new report, *Chicken and Egg: Child Poverty and Educational Inequality*, shows that children in poverty fall further behind their peers at every stage of schooling. By age three, poverty makes a difference equivalent to nine months' development in school readiness. And at each stage of compulsory schooling the poverty gap grows. Moreover, the association between growing up in poverty and being poor in adulthood has become stronger since the 1970s. CPAG believes that without targeted educational investment the Government's long-term goal of eradicating child poverty by 2020 will not be reached.
- l) *Make education truly free at the point of delivery.* Education should be free at the point of delivery. Too often it is not. Research for the Department for Education and Skills published in 2004 found that £736.22 was spent per child on schooling, including trips and activities; contributions to school funds; meals; and travel.²⁸ Although the poorest households spent somewhat less in cash terms than the richest, this is actually a bigger share of their income. Moreover, the poorest households are those most likely to report difficulty in meeting these costs. Spending levels are key for two reasons: first, spending may open up new opportunities for children (e.g., trips and activities) and so if income precludes spending, affected children will be denied the experiences open to many of their peers. Second, parents make sacrifices themselves to give the maximum opportunities to their children so spending on schooling may be at the expense of other necessary outgoings. For both reasons CPAG wants to see action to ensure all children have equal access and to ease the burden on family budgets, which address the following areas:
- m) *School meals.* Though free school meals are available to some (linked to receipt of other benefits) they are poorly taken up. All too often the existing system openly identifies those in receipt of free school meals, resulting in stigma and low take-up. Universal free school meals would ensure full take-up and protect families who are relatively poor but not entitled to claim free school meals and also have a work incentive effect.

- n) *School clothing.* Clothing for school costs money, more for older children, and the need is focused around very specific transition points in their development – growth spurts and changes of school. A report from Citizens Advice suggested that the costs of uniforms for the start of secondary school could amount to over £200 and demonstrated an extremely patchy picture of local education authority (LEA) support for parents in meeting the cost.²⁹ It showed that two out of five LEAs provided no help at all with school clothing, a situation that has worsened significantly since 2001.
 - o) *Trips and activities.* School activities, including trips and hobbies, are a vital element of childhood learning and experience, but charges often apply. Although official guidance discourages charging for activities occurring in school time, schools may ask for 'voluntary' contributions for certain activities, and can charge for activities associated with school which fall outside the school day. Charges or 'voluntary' contributions confront parents and children with an odious choice: preventing a child from participating in an activity, or paying for them to do so out of an already stretched budget. Both work against effective anti-poverty policy.
 - p) *Extended schools.* Such schools offer particular benefits for the most disadvantaged children and young people, such as study support activities, after-school and holiday activities, childcare, parenting support and referral to wider support services. All schools are expected to offer some free study support and some free after-school sport activities but schools (after local consultation) fund other study support activities by charging parents. While schools may use their delegated budget to fund access to study support activities for the children and young people in low-income families, (and to support access to educational activities which are normally included as part of the childcare offer) this will undoubtedly differ from school to school. And, like free school meals, it runs the risk of openly identifying those children in low-income families, resulting in stigma and low take up. Many will therefore be denied the educational benefits of these study support activities. We are concerned over the policy presumption in extended schools - notwithstanding the benefits they offer to the most disadvantaged children - that parents have less and less time to parent and children require more and more state care. We do not believe that this is what most parents want; instead they want a better work-life balance.
26. CPAG believes that the way to resolve the problems that have a particular impact on children from poorer families is firstly to consider the appropriateness of costly trips or uniform (such as uniform badges or uniforms with only one supplier) and, where such services are necessary, either to provide adequate grants or to provide such services universally, free at the point of delivery with a test of educational need, not ability to pay.

The Green Paper

27. Shortly before the Committee announced its inquiry into child poverty, the Government published a consultative Green Paper *In work, better off: next steps to full employment*. This document follows on from both the Harker review and the Government's response to this, as well as David Freud's assessment of the welfare system and the Government's response to the Leitch review, and marks a substantial change in direction in welfare policy in this country.

28. CPAG welcomes much that is in the Green Paper, in particular, the reiteration of the Government's aspiration to achieve full employment, defined as an employment rate of 80 per cent and to close the employment gaps between different groups in society. We agree that some groups suffer particularly low levels of employment and disadvantage in the labour market. We also agree that employment can be a route out of poverty for families with children, and that achieving full employment should help to reduce child poverty. However, we would argue that paid employment is only one of a number of routes out of poverty for families and that many families will not be in a position to take advantage of employment opportunities. Moreover, for other families paid employment may result in in-work poverty and children will suffer.
29. Underlying the Government's aspiration to increase the employment rate is that decent jobs are available. Nonetheless, the existence of jobs in the economy does not prove that jobs are open equally to all. Barriers to work, including costs associated with work, the quality of jobs, spatial concentrations of employment and non-employment, skill demands and discrimination mean that not all have equal access to jobs, and certainly not all have equal access to good quality jobs.
30. In CPAG's submission to the Work and Pension's Select Committee's inquiry into the Government's 80 per cent employment rate aspiration, we recommended that the inquiry used its report to examine the extent to which policy is currently succeeding in overcoming barriers to work, and what else is needed to meet the needs of those specific groups, lone parents and disabled adults, recently targeted by policy. The evidence clearly shows that employers have a greater role to play in opening up opportunities to decent, flexible work and overcoming the discrimination that currently reduces access to employment for many groups.
31. CPAG welcomes the thinking in Lisa Harker's report that greater thought and effort should be put into looking beyond the work first approach and towards measures that tackle in work poverty, improve job sustainability, and prevent cycling in and out of employment. Policy has moved significantly in this direction around supporting people in work through mechanisms like the lone-parent in-work credit, but this needs to go much further in improving the quality of employment (including pay, sustainability and progression). Learning the lessons from the Employment Retention and Advancement pilots and the Ambition pilots between the DWP and the National Employment Panel could assist framing of policy more focused on progression within work.³⁰ An increased employment rate brought about by increased churn into and out of work amongst lower income families will not reduce poverty and may increase hardship. In particular, CPAG believes that more needs to be done to ensure that employment pays more for low paid workers. The UK already has a high employment rate hand in hand with a high child poverty rate - half of poverty currently occurs in households with some work.³¹ A higher employment rate does not necessarily mean a low poverty rate.
32. The DWP has shown significant interest in encouraging second earners in couples into work which could have a significant impact in reducing poverty in those couple households where one parent is working and the other is not. Such a strategy has the potential to reduce poverty levels, but can do nothing for children in lone parent households and again it restricts the time that some parents will have to parent. Moreover, it presents Job Centre Plus (JCP) with the challenge of delivering a service to a group with which it has had little previous

contact – the key to engaging with this group is to offer a high quality supportive service and to support people's ambitions of entering decent flexible work.

33. Even if an employment rate of 80 per cent is attained, this infers that one in five working adults will remain outside the labour market, and since many of these adults (perhaps as disabled adults or lone parents) are likely to live in households without any other adult being in work the target implies that many adults and children will remain in households where no adult is in work. Alongside consideration of the employment rate therefore we ought to have a more detailed examination of the safety net – currently over three quarters of children in households in which no adults work are poor.³²

34. CPAG has a number of other more specific concerns with the Green Paper:

- q) We are increasingly anxious about the conditionality being enforced upon benefit recipients which emphasises responsibilities whilst diluting rights. The responsibilities being proposed outweigh the rights being granted. Lone parents, disabled people and those most disadvantaged will be expected to take part in more work focused interviews and other forms of activity in return for their benefits, but the new rights that they receive in return for this activity are not spelt out. The rigidity of the Job Seekers Allowance regime may indeed limit what additional rights can be offered.
- r) We agree that assisting people into paid employment requires a personalised and responsive approach, but are concerned that resources are not being devoted to ensure that personal advisors have the necessary skills to deal with the diverse needs of jobseekers. If this approach is to be achieved then greater investment in training and recruitment will be required. This will be difficult at a time when the DWP's staffing and resources are being reduced.
- s) Progression and retention in employment is key to reducing in work poverty and ensuring that JCP or private/voluntary sector providers do not 'cream' and 'churn' jobseekers. We would like to see more details about how this will be achieved and evaluated. We are concerned that there is no discussion about why people enter jobs for short periods and then leave employment.
- t) In CPAG's view, the Government is right to recognize the importance of the role of employers in fulfilling the demand side of the strategy. Unless there are jobs then those who are most disadvantaged cannot be expected to look for them as a condition of their receipt of benefit. Indeed to do so will be demoralizing and counterproductive. But we are totally opposed to the proposals in the Green Paper to impose more responsibilities upon lone parents. In particular, the proposal that from 2008 lone parents with a child aged 12 or over and from 2010 those with a child of seven will no longer be entitled to claim income support solely on the grounds of being a lone parent. They will then be moved on to a Job Seekers Allowance (JSA) regime of greater conditionality and enforced Work Focused Interviews (WFIs) with the threat of sanctions.

35. We oppose these proposals for the following reasons:

- The proposals do not entail a specific pledge to improve support to lone parents returning to employment, for example childcare. Much of this support will have to be financed by other Departments and the devolved administrations, and there is no evidence in the Green Paper about how this

will be achieved or the practical content of this support. In our view, this is a one way increase in responsibilities without a symmetrical increase in rights.

- In England, it is intended that there will be a Sure Start Children's Centre in every community. If this is achieved it will not address the childcare needs of all parents and children in rural areas where there may be some distance between a parent's place of work, the Children's Centre and their home. To apply greater conditionality upon these lone parents will increase child poverty.
 - The duty imposed on local authorities to secure sufficient childcare for working parents by 2008 (paragraph 15 page 44) does not apply to Scotland. So whilst the responsibilities imposed throughout Great Britain through social security legislation may not be matched by rights for all lone parents.
36. Overall, CPAG would propose that if lone parents are obliged to take part in the JSA regime and look for work, then the burden of proof that there is adequate and satisfactory child care in place before lone parents are required to consider paid employment should be placed on the DWP rather than the lone parent.
37. The Green Paper is unsure how to deal with the needs of lone parents with disabled children (paragraph 13, page 43). To apply greater conditionality will bear harshly on these parents and their children, and the Green Paper is silent on how their rights will be made stronger. These rights will need to be ensured by action by other Government Departments, the devolved administrations and local authorities. The DWP does not have the power to ensure that this support is in place.
38. We are also concerned about disabled lone parents and their children and how these proposals would ensure that their rights were enhanced in return for the increase in their responsibilities. Lone parents may have responsibilities for disabled children, but also disabled lone parents have responsibility for non-disabled children. The Green Paper does not address this issue.
39. The Green Paper lacks concrete proposals for how those entering into work can improve their skills and remain in long-term employment. There is a lack of detail on how the Leitch review's recommendations will be implemented.
40. Whilst we welcome the statement in paragraph 19 page 44, *that 'Nor will we force lone parents into jobs'*, we are concerned that a regime of more WFIs for lone parents will be experienced by lone parents as attempts to force them into work. If this is not the policy intention we would question the increased expenditure on WFIs whilst resources allocated to other purposes (for example better tailored childcare, transport and employer education on family friendly employment practices) might produce more positive results.
41. At present, lone parents on IS can only lose 20 per cent of their benefit in order to protect family income. JSA claimants can have all of their benefit removed. Hardship payments are available to those with children to bring benefits back up to 80 per cent of entitlement, but the claimant must first be sanctioned and then apply for these. We fear that this could lead to periods where a parent is receiving no benefit at all (with knock on effects on her Housing, Council Tax and other passported benefits).

42. Around one third of lone parents leave employment at the time of becoming a lone parent. Some leave due to bereavement, others due to issues connected to Domestic Violence, others due to the stress of a separation. Under the JSA regime lone parents would have to prove 'good cause' for availing themselves of the National Insurance system. We think that this could lead to many in difficult circumstances being refused benefit.
43. Many lone parents, irrespective of their financial circumstances, may decide that it is best for their child to care for her/him on a full time basis. The Green Paper does not recognize this as an informed choice and a right.
44. The Green Paper (page 45) refers to aspirations about flexible working. We welcome increased statutory flexible working for parents; however paragraph 23 refers to '*considering how to make the best use of flexible working.*' We would suggest that rather than greater conditionality being placed upon lone parents, the rights to such support should be put in place. In addition, we are concerned about the lack of well paid, suitable part-time jobs with potential for progression and training in many parts of the country (especially London).
45. Whilst the risk of children living in couple families being poor is lower than the number of those living in lone parent families, we recognize the importance of the Government's objective to reduce poverty in couple families and reduce the divide between work rich and work poor households. A family focus for employment is not solely the responsibility of the DWP and we would have welcomed a greater emphasis upon cross-departmental working on this issue. The extension of New Deal for Lone Parents to all couple parents in some areas is welcome, although evidence does suggest that the effects may be limited and that resources might be better deployed. For example, voluntary New Deal services open to all job seekers might be a better use of resources.
46. The In-Work Credit for parents and the Work Related Activity Premium for lone parents are both useful incentives to encourage people towards work and support them whilst in work for the first year. However, both of these suffer from a 'cliff edge' where those in receipt suffer a 100% marginal tax rate after a year. We would suggest a later and much more gradual reduction in these benefits to allow claimants to adjust to the reduction. Also, it is not clear if the Work Related Activity Premium is to be continued – the Green Paper does not suggest it will.
47. Both of these benefits, whilst important, can only work alongside a greater emphasis upon progression and retention in employment. We would recommend that where employers take on a worker in receipt of the In-Work Credit, an obligation is placed upon the employer to provide training and the prospect of progression, thus balancing rights and responsibilities.

About CPAG

CPAG is the leading charity campaigning for the abolition of poverty among children and young people in the UK and for the improvement of the lives of low income families. CPAG aims to: raise awareness of the causes, extent, nature and impact of poverty and strategies for its eradication and prevention; bring about positive policy changes for families with children in poverty; and enable those eligible for income maintenance to have access to their full entitlement. CPAG is a founder member of the campaign to End Child Poverty.

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- ¹¹ See note 7, HBAI Supplementary Table E5.
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³⁰ Which have sought to invest in demand-led training for specific areas of work to encourage longer term sustainable employment.

³¹ See note 7, HBAI Table 4.3.

³² See note 7, HBAI, Table 4.5, measured after housing costs.