



## Consultation on the Child Poverty Strategy 2014-17

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CPAG's response

May 2014

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## Introduction

1. Child Poverty Action Group (CPAG) has worked for almost 50 years to prevent and relieve poverty among children and families in the UK. We have particular expertise in the functioning of the social security system through our welfare rights, training and policy research. Our work is informed by the longstanding view of social scientists that poverty is a condition characterised by a lack of adequate resources given one's time and place.<sup>1</sup>
2. We welcome this opportunity to respond to the government's consultation on its new child poverty strategy (CPS). The Child Poverty Act (CPA) 2010 provides the government with a robust framework for action and accountability with respect to child poverty. After a year-long period during which the CPA 2010 has been questioned, we are pleased to see the government recommit itself to the targets and measures contained in the Act (Annex A, paragraph 7). We hope that the publication of this draft strategy marks a new phase for government, with all efforts directed once again at reducing child poverty.
3. Both cross-national and longitudinal studies show us time and again that child poverty is not inevitable. Instead, it is highly policy responsive; we know what conditions produce a low-child poverty society. Our consultation response assesses the government's proposed actions against this evidence, and offers a judgement as to whether the strategy is likely to deliver enduring reductions in child poverty. Before we turn to the specifics proposed in the CPS, however, we first provide some general observations on the approach which underpins the new strategy.

## Overall observations

4. The draft CPS clearly acknowledges that growing up in poverty impacts negatively on children's future outcomes (Chapter 3, paragraph 28). It appears, however, far less concerned with the way in which poverty blights children's lives in the here and now. In our view, growing up in poverty in a country as wealthy as the UK is unacceptable in itself, not just because it has effects that endure into adulthood. Given this, we would welcome a strong statement in the strategy that reducing child poverty is important for intrinsic as well as for instrumental reasons.
5. As a result of this instrumental approach, the strategy focuses a great deal on correcting for the effects of poverty, setting out interventions that aim to *mitigate* the impacts of poverty rather than *address* child poverty itself. Yet the evidence suggests that this is unlikely to be successful even on its own terms. A recent meta-review of relevant studies shows that the mechanism by which low income transmits into poorer outcomes for children is via parental stress associated

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<sup>1</sup> See, for example, the eminent sociologist and co-founder of CPAG, Peter Townsend, who defined poverty as follows: 'Individuals, families and groups in the population can be said to be in poverty when they lack resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged and approved, in the societies in which they belong.' P Townsend, 'Poverty in the United Kingdom', Penguin, 1979

with poverty, rather than through lacking specific items.<sup>2</sup> This has profound implications for policy. It suggests that, while efforts by government to provide substitute goods may take the edge off poverty, it is policies that support family incomes and thereby reduce parental stress which will have the enduring effects on children’s outcomes that we all seek.

6. This approach to child poverty may also explain, in part, why the draft CPS lacks any benchmarks against which the government can measure progress over the course of its term. These ‘missing metrics’ represent a serious shortcoming of the CPS: without indicators, any strategy simply dissolves into a list of actions. The absence of measures against which the strategy can be judged is even more disappointing given the extensive consultation on this issue that occupied much government time in 2013.
7. That said, the government remains bound by law to assess progress on child poverty against the four measures encoded in the CPA 2010 (relative poverty, absolute poverty, low income and material deprivation, and persistent poverty). Regardless of differing views as to the validity of these measures within government, they remain on the statute book, and government cannot evade accountability against them.
8. Child poverty forecasts usefully provide us all with a sense of the current direction of travel against two of these indicators. Table 1 sets out projected relative and absolute child poverty rates given current government policies up to the CPA’s target year of 2020. This makes clear that not only are the Act’s overall targets likely to be missed by a considerable margin, but, even more critically, that past progress towards those targets is set to be reversed. The new CPS, then, has been written in a policy environment that is child poverty-producing.

**Table 1: Projected relative and absolute child poverty rates**

Child poverty measure	Year				
	2011-12 (actual)	2012-13	2013-14	2020-21	2020-21 target
Relative poverty, before housing costs, percentage	17	18.3	19.4	22.5	10
Absolute poverty, before housing costs, percentage	20	22.0	23.7	27.9	5
Source: HBAI, Department for Work and Pensions, June 2013; and Institute for Fiscal Studies, January 2014					

9. While different cohorts of the population who live in poverty require different policy responses, we are concerned that the CPS suggests some children in poverty should be prioritised at the expense of others: those who live in persistent poverty (Chapter 1, paragraph 2) and poverty experienced by large families (Chapter 1, paragraph 22), for example, are singled out for special attention in the strategy. In our view, in a country as wealthy as the UK, conceding that we cannot help *all* children in poverty would be a major failure of government.
10. Child poverty imposes social costs. Some of these are linked to reduced life chances, but the majority come from the ‘fallout costs’ of child poverty, such as personal social services, school

<sup>2</sup> K Cooper and K Stewart, ‘Does Money Affect Children’s Outcomes?’, Joseph Rowntree Foundation, October 2013

education, and police and criminal justice. Research undertaken by Donald Hirsch for Child Poverty Action Group estimates that child poverty cost £29 billion in 2013 in financial terms alone. This research also estimated that, if projections of increases to child poverty in 2020 prove accurate, this will rise significantly.<sup>3</sup>

11. The consultation asks us to be cognisant of fiscal constraints. We recognise that we now live in a period where funds are tighter than previously, but dispute that this means we must abandon our collective ambition of reducing child poverty rates to those of our international comparators. Instead, if the government is truly serious in its ambition of ending child poverty, it must institute policies that are logically connected with this end *and* prioritise them in future funding rounds. The extent to which it has at least set out the former in its new draft strategy is the question to which we now turn.

### The substance of the strategy

12. CPAG was pleased to note that the draft CPS has been informed by an evidence review recently conducted by government. As a result, the new strategy has an eminently sensible structure, focusing as it does on poverty in the here and now, living costs, and the longer term impacts of growing up in poverty. As the review itself acknowledges, however, it was subject to some limitations. Specifically, it considered only:

*'... individual and family characteristics and events associated with current and future poverty. It does not take account of the macroeconomic context, in terms of the number and quality of available jobs or the returns to qualifications. This review also does not examine the impact of the institutional framework (e.g. the current educational system) or culture of society. Nor does it consider the interaction between the benefits system and incentives to work, although this will obviously have a role in ensuring work pays'.<sup>4</sup>*

As the review goes on to accept:

*'these factors are important as they may limit the extent to which individuals are able to improve their situations through their own agency and changes in these factors could affect the future stability of the associations reported'.<sup>5</sup>*

13. In CPAG's view, a strategy that takes no account of structural factors is unlikely to have enduring impacts on child poverty. Instead, it is likely to place ever-increasing pressure on low-income parents to take steps at an individual level despite the structural conditions that

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<sup>3</sup> Donald Hirsch, 'An estimate of the cost of child poverty in 2013', Centre for Research in Social Policy, Loughborough University. The estimate of costs of child poverty in 2020 was £35 billion (in 2013 prices), based upon IFS projections from May 2013, which had relative poverty one percentage point higher (at 23.5%) than their subsequent January 2014 projection.

<sup>4</sup> Department for Work and Pensions, 'An evidence review of the drivers of child poverty for families in poverty now and for poor children growing up to be poor adults, CM 8781', DWP, February 2014

<sup>5</sup> Ibid.

conspire against them. Nowhere, perhaps, is this weakness more apparent than in the section 'Tackling child poverty now', which centralises work as the primary (indeed almost only) solution to child poverty.

### *Poverty and work*

14. 'We want families to be able to work themselves out of poverty' states the strategy,<sup>6</sup> and few, least of all the low income parents that CPAG works with, would disagree with that. Our recent research has highlighted the high level of attachment poor parents have to work, not just because they wish to earn more and reduce their reliance on benefits, but also because they want to be good role models for their children and enjoy the social benefits of work.<sup>7</sup> Renewed effort to support families into work as the strategy proposes is therefore an important element in addressing child poverty.
15. Increased employment does not, however, translate in a straightforward way into child poverty reductions as the burgeoning percentage of poor families who are in work testifies.<sup>8</sup> While the strategy points to the 274,000 fewer children now (2013) who live in workless households compared to 2010, it fails to acknowledge the commensurate rise in in-work poverty over the same period. As it stands, old style trickle-down economics underpin the strategy, with a simple assumption that gains from growth will be shared in a way that is poverty-reducing. In our view, this assumption is not a safe one: instead, more active policy interventions are required to ensure that work genuinely does enable families to move out of poverty.
16. To begin, the strategy needs to move beyond a primarily coercive approach to parental employment, and instead tackle the real constraints that parents face in entering work. The CPS could, for example, usefully address work incentives for lone parents and second earners under universal credit (UC). These could be strengthened by the introduction of an additional work allowance into the system for both groups, as well as by bringing the overall taper closer to the 55 per cent withdrawal rate that was originally regarded as essential for UC's success.<sup>9</sup> Moreover, while the recent commitment to provide support with 85 per cent of childcare costs under UC is much welcomed, delays in roll-out are deferring this benefit: low income families need additional help with childcare costs through tax credits if barriers to work are to be reduced over the course of the strategy's term.
17. However, removing individual barriers to work is unlikely to reduce child poverty without efforts to address the structural limits on parents' hours of work. Recent analysis suggests that 1.4 million people are currently working part-time who would like full-time work, while many

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<sup>6</sup> Chapter 1, paragraph 3

<sup>7</sup> CPAG, 'Families and universal credit : do the work incentives work?', forthcoming

<sup>8</sup> 63 per cent of children in poverty were in a working household in 2012, the highest share for the fifteen years for which we have data. See T MacInnes et al., 'Monitoring Poverty and Social Exclusion 2013', Joseph Rowntree Foundation, December 2013

<sup>9</sup> Centre for Social Justice, 'Dynamic Benefits: Towards welfare that works', September 2009

more in part-time work want more hours.<sup>10</sup> In truth, then, many would like to work more but are simply unable to find extra hours. Moreover, while family-friendly work policies may be increasingly common in higher paying sectors of the economy, the structure of work at the bottom end of the labour market is often far from compatible with parenting responsibilities.<sup>11</sup> Zero- and low-hour contracts may have benefits for employers, but clearly pose problems for parents who value stability of employment over and above flexibility.

18. This policy issue needs to move beyond the simple question of the *availability* of hours, however. Instead, the government needs to consider the critical question of *how much* we should expect parents to work given their other responsibilities, and, perhaps even more pertinently, whether it is expecting low-earning parents to work longer hours than those on higher salaries. The consultation certainly seems to suggest that all parents working full time is a desirable outcome.<sup>12</sup> However, this work pattern is far from typical: across the entire income distribution, all adults work full-time in less than a quarter of households with dependent children.<sup>13</sup> In addition, recent CPAG research into public attitudes on hours of parental employment shows a striking consistency across voting patterns, age, gender, social grade and region that the lead carer should be expected to work significantly fewer hours than a full-time job, and that this should be lowest when their children are at their youngest.
19. Indeed, the government's own universal credit guidance recognise that lead carers should not be expected to work full time when their youngest child is below 13, or at all before that child reaches 5.<sup>14</sup> Using this definition of 'working enough', academics have estimated that almost 60 per cent of children in 'working poor' families live in households where all adults 'work enough'.<sup>15</sup> Likewise, analysis from the Social Mobility and Child Poverty Commission shows that three-quarters of children in working poor households live with a parent in full-time work.<sup>16</sup> Altogether, then, while the question of appropriate hours is an important element of a child poverty strategy, it is clearly far from a full solution.
20. In fact, as the Institute for Fiscal Studies has shown, 'low pay is now a stronger predictor of poverty than low hours'.<sup>17</sup> It is well established that the UK has a significant low pay problem – according to the Living Wage Commission, 21 per cent of the workforce is paid below a Living

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<sup>10</sup> T MacInnes et al., *Monitoring Poverty and Social Exclusion 2013*, Joseph Rowntree Foundation: December 2013

<sup>11</sup> Chartered Institute of Personnel and Development, 'Zero-hours contracts: Myth and reality', CIPD, November 2013 suggests around a million people are on zero-hours contracts; one in four companies use them; and a third of workers in hotels and catering are on zero-hours contracts

<sup>12</sup> Chapter 1, paragraph 8

<sup>13</sup> 'The number and percentage of households with dependent children in the UK where all parents are in full-time employment, April to June 2013', Labour Force Survey household datasets, retrieved by Office for National Statistics, April 2014

<sup>14</sup> 'Universal Credit and your family', October 2013:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/254329/uc-and-your-family-quick-guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/254329/uc-and-your-family-quick-guide.pdf)

<sup>15</sup> J Bradshaw and G Main, 'How many working poor parents might be able to work more?', 19 March 2014, available at <http://spruyork.blogspot.co.uk/2014/03/how-many-working-poor-parents-might-be.html>

<sup>16</sup> Social Mobility and Child Poverty Commission, 'State of the Nation 2013: social mobility and child poverty in Great Britain', October 2013

<sup>17</sup> Ibid.

Wage nationwide –<sup>18</sup> but the strategy is almost entirely silent on this issue beyond suggesting a re-look at the national minimum wage. The evidence suggests that robust action on low pay – including tackling the gender pay gap and the part time penalty – must be an essential part of any credible child poverty strategy.

21. Instead of action to address low pay, the strategy foregrounds the government’s flagship policy of increasing the personal tax allowance (PTA) as poverty-reducing. We contest this: in truth increasing the PTA is a regressive policy, benefitting primarily those in the middle and upper-middle income deciles.<sup>19</sup> Conversely, many families on low-incomes simply do not earn enough to pay tax to benefit from the policy,<sup>20</sup> while those who do see some initial gains lose much of this once their benefits are adjusted accordingly.<sup>21</sup> Increasing the PTA, then, is a poorly targeted and expensive policy: the IFS calculate, for example, that raising the UC work allowance by 20 per cent would cost £10 billion per year less than raising the PTA to £12,500 and would be far more strongly targeted at low-income earners.<sup>22</sup>
22. The ability, then, of families to ‘work their way out of poverty’ is constrained by numerous structural barriers they face in entering jobs, finding appropriate hours and balancing these with their parenting commitments, and the returns they receive on their work. Perhaps even more worrying, though, is that the strategy appears to be exhorting families to fend for themselves, and that the welfare state has little role to play in protecting them from poverty. It is to this question that we now turn.

### *Social security*

23. Cross-national data produced for CPAG in March this year demonstrated that even those countries with the most propitious starting points still require social security to play a major role in reducing their child poverty levels.<sup>23</sup> All things being equal, families with children have an increased risk of poverty than other groups in society: put simply, they have a higher level of costs at a point when their ability to work is constrained by parenting responsibilities. This simple truth has long been recognised by our and other countries’ social security systems, which smooth incomes both across and between generations through transfers such as child benefit and child tax credit.<sup>24</sup>

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<sup>18</sup> ‘Working for poverty: the scale of the problem of low pay and working poverty in the UK’, the interim report from the Living Wage Commission, February 2014

<sup>19</sup> ‘IFS Green Budget 2014’, Institute for Fiscal Studies, February 2014

<sup>20</sup> The IFS estimate that the lowest-income 17% of workers will pay no income tax in 2014-15 anyway: *ibid.*

<sup>21</sup> CPAG calculate that, while middle earner households stand to gain £705 a year from raising the threshold from £6,475 to £10,000, low earners receiving housing benefit will only gain £247 as the rest of it will be tapered away at a rate of 65% (figures in cash terms). A rise of around £14 per week in the earnings disregard for housing benefit would help ensure that those on low-incomes gain the full benefit of the increase in the allowance.

<sup>22</sup> ‘IFS Green Budget 2014’, Institute for Fiscal Studies, February 2014

<sup>23</sup> H. Xavier Jara and Chrysa Leventi, ‘Note on EU27 child poverty rates’, Institute for Social and Economic Research, University of Essex, March 2014

<sup>24</sup> Indeed, in the UK, much redistribution through social security, especially children’s benefits, is across the lifetime of the individual, not vertically between rich and poor. For example, the Social Market Foundation

24. The critical role played by family benefits in reducing child poverty is almost entirely ignored in the draft CPS. This is a deeply worrying omission: analysis from the IFS shows that cuts in the real value of family benefits are the key reason that child poverty will rise over the period of the strategy.<sup>25</sup> In CPAG's view, a stable settlement on children's benefits is an absolutely critical element of any child poverty plan, and we are disappointed to see no consideration of this in the CPS.
25. In its place, the government has highlighted the poverty-reduction potential of universal credit (UC), asserting that it will lift up to 300,000 children out of poverty. CPAG agrees with one of the assumptions that underpins these figures – namely that the structure of UC will improve benefit take-up, with poverty-reducing results. As the endnote makes clear, however, this number does not take into account the minimum income floor for self-employed people. A Parliamentary Question last year shows that this is a significant omission and, when included, it reduces the estimated poverty impact of UC by around 100,000.<sup>26</sup> Moreover, the poverty-fighting potential of UC is being repeatedly undermined by cuts to its budget such as the three-year freeze to work allowances that was announced in the Autumn Statement 2013.
26. If universal credit (UC) is to deliver enduring poverty reduction outcomes, the government must consider both the level of awards and the way that work incentives are likely to work in reality. The value of all UC elements is on a downward trend: sub-inflation uprating, delinking housing costs from real rents, funding 85 per cent childcare support from elsewhere within the UC budget, and cutting support for those with disabilities all undermine UC's poverty reduction potential. Likewise, the work incentives within UC are weighted to move first earners into work, but do little to encourage progression or incentivise second earners to take up work. Without attention to both these issues – through, for example, the introduction of a second earner disregard and improved incentives for those in higher hours of work – UC is unlikely to deliver on its poverty reduction promises.
27. Perhaps the one explicit reference to social security in the draft CPS – 'but for families who can't work we will continue to provide a welfare safety net' –<sup>27</sup> is the most telling, suggesting as it does that benefits are regarded as a residual rather than an essential element of the government's child poverty programme. An approach of this type flies in the face of all the evidence: while there is much that could be done to cut the social security bill – action on low pay, for example, or to tackle high housing costs – family benefits will always be a critical part of the child poverty toolkit. They are an acknowledgement that the extra costs borne by parents are in part the responsibility of society as a whole, and that children are a social good as well as our future workforce.

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suggest that the proportion of lifecycle transfer in the UK benefit system could be 'as much as 71%' – Ian Mulheirn with Jeff Masters, 'Beveridge Rebooted', Social Market Foundation, August 2013

<sup>25</sup> Browne, Hood and Joyce, 'Child and working-age poverty in Northern Ireland over the next decade: an update', Institute for Fiscal Studies, January 2014

<sup>26</sup> House of Commons Written Answers 15 January 2013:

<http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm130115/text/130115w0003.htm#1301157600093>

<sup>27</sup> Chapter 2, paragraph 2

28. It is crucial, also, to ensure that social security operates effectively, so that families are receiving the support to which they are entitled. Emerging findings from CPAG welfare rights work with a food bank suggest that maladministration in the benefits system is causing significant hardship. Whatever the structure of the social security system, it is essential that it functions effectively at an operational level.

### *The costs of living*

29. Perhaps as a result of its refusal to support family incomes through social security, the government has taken a different approach in its second chapter of the CPS, and set out a number of programme of action designed to reduce living costs. Families with children face high additional costs: CPAG and JRF have shown shows that it costs £148,000 to bring up a child to age 18 and meet his or her minimum needs.<sup>28</sup> Action to reduce these costs, then, can only be welcome, although in our view do not substitute for decent income support.

30. An examination of the measures proposed in the CPS shows, however, that many are generic rather than focused on helping low-income families. It is questionable, for example, that reductions in rail fares and petrol prices will particularly benefit those living in poverty given these are both forms of transport used more by those on higher incomes. Other policies are better targeted – Healthy Start Vouchers for low-income families, for example – although targeted subsidies of course risk creating further cliff-edges in terms of work incentives. One area we would suggest the government considers further action is where people on low incomes are poorly served by markets and pay a ‘poverty premium’ for certain goods. Action to ensure that all pay the same unit price for fuel, for example, would be a welcome move that would clearly benefit children living in poverty.

31. This rationale underpins the government’s proposed actions in the strategy on affordable credit and we welcome efforts to tackle this issue. Again, however, we are worried by the implications of the government’s language, stating as they do that ‘low-income families, like many other families, need access to affordable credit, for example, to help when the car breaks down or the washing machine needs fixing’. This is strongly suggestive of the end of local welfare assistance schemes, implying as this does that, no matter how poor one is, one should use credit to smooth one-off expenditures.<sup>29</sup> If social security is set at levels which do not allow families to build up reserves and avoid budgetary crises, it is crucial that crisis support must continue to be provided in some form to enable vulnerable families to manage unexpected expenditures. This cannot simply be solved by the provision of more affordable credit.

32. A more rational approach to addressing living costs, where this is deemed more appropriate than protecting incomes, would be to proceed from the basis of the additional costs associated with children. Two in particular stand out: housing and childcare. The substantial difference

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<sup>28</sup> D Hirsch, ‘The Cost of a Child in 2013’, Child Poverty Action Group and Joseph Rowntree Foundation: 2013

<sup>29</sup> See also Jarvie and Judge, ‘Policy Note 1: Local Welfare Assistance Schemes’, Child Poverty Action Group, May 2014

between before housing costs and after housing costs poverty rates demonstrates the major impact this issue has on poverty yet the section addressing housing in the strategy is thin.<sup>30</sup> It fails, for example, to discuss the private rental sector, which is an increasing source of accommodation for families with children living in poverty, or improving security of tenure, which is so vital to children's well-being, and to their prospects for educational attainment.

33. Childcare is a substantial element of the additional living costs faced by families with children. The cost of childcare has a significant effect on work incentives, and we welcome the recognition of this in the introduction of 85 per cent support for childcare costs under universal credit, though are concerned that this will come from elsewhere within the already stretched universal credit budget. It is crucial that work pays for parents once childcare is taken into account. Childcare also plays a significant role in tackling early childhood disadvantage, and the quality of childcare is important from a child well-being perspective.

### *Education*

34. We strongly welcome the implementation of universal free school meals for infant school children. This will have widespread educational benefits, as well as improving health outcomes, supporting family incomes, and increasing work incentives. We welcome, also, the more recent commitment in Budget 2014 to increased support for childcare under universal credit, and the additional £50 million for an early years Pupil Premium.
35. CPAG welcomes the government's recognition that closing the education gap should be a policy priority and is pleased to see a number of interventions designed to achieve this set out in the draft CPS. In particular, we welcome the move to monitor the use of the Pupil Premium more closely, alongside a commitment to fund interventions to help poorer performing children manage the transition from primary to secondary school more effectively. We also note, however, that while evidence suggests that greater inclusivity in classrooms and schools has a significant impact on the education gap, the direction of travel of education policy overall runs counter to this.<sup>31</sup>
36. We are also pleased to see acknowledgement within the strategy of the importance of family income as a determinant of educational outcomes.<sup>32</sup> As discussed earlier in our submission, a recent systematic review of the literature on this subject points not just to a correlation between low income and poor education outcomes but to an independent causal relationship.<sup>33</sup> Critically, the review also suggests that the key transmission mechanism between low income and education outcomes is not lack of specific goods (books, uniforms and the like that could be

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<sup>30</sup> In 2011/12, 17 per cent of children were in poverty before housing costs, against 27 per cent after housing costs: DWP, 'Households Below Average Income', June 2013

<sup>31</sup> Higgins et al., 'The Sutton Trust-Education Endowment Foundation Teaching and Learning Toolkit', Education Endowment Foundation, 2014

<sup>32</sup> Chapter 3, paragraph 28

<sup>33</sup> K Cooper and K Stewart, 'Does Money Affect Children's Outcomes?', Joseph Rowntree Foundation, October 2013

provided by schools or other sources) but instead stems from parental stress caused by low income.

37. This suggests that school-based interventions cannot on their own correct for the effects of low income: we must also focus on household income if we are to address the education gap. Indeed, the (conservative) analysis undertaken as part of the review suggested that, if the household incomes of those on free school meals rose by £6,000 a year, the KS2 education gap would be halved.
38. This returns us, then, to the question of how adequate the strategy is at supporting family incomes. The final chapter of the draft CPS ends with the cursory suggestion that this can be solved by 'getting people into work and progressing in work' (Chapter 3, paragraph 28), which, while an admirable objective, is not in itself a solution to child poverty, as our preceding analysis has shown.

### Conclusions and recommendations

39. The three themes of the draft strategy – families and work, improving living standards, and raising the educational attainment of poor children – provide a good framework for organising key policy measures for tackling poverty. Overall, however, we are disappointed that the strategy fails to link the actions specified to clear interim milestones, targets and measures by which the government will track progress to the 2020 goals.
40. Moreover, the evidence suggests that many of the actions contained in the strategy are only weakly related to poverty reduction, while critical areas of policy receive minimal consideration. Specifically, in our expert view, a successful overall CPS must contain:
- **A plan to tackle low pay.** As outlined above, and as articulated by the Social Mobility and Child Poverty Commission,<sup>34</sup> addressing the factors that underpin in-work poverty must be a central to element of any plan designed to reduce child poverty. It is incumbent upon the government to have a clear strategy in this area, encompassing such issues as the minimum wage, the living wage, and progression in work.
  - **A focus on second earner employment** (and lone parent employment in the case of lone parent households). Getting parents into the workforce is a key way to improve family incomes; the Resolution Foundation estimates there are a million missing women in the labour market.<sup>35</sup> A strategy on this issue would include issues such as childcare, second earner incentives under universal credit, professional employment support at local level, and paid parental leave entitlements. In tackling this question,

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<sup>34</sup> Social Mobility and Child Poverty Commission, 'State of the Nation 2013: social mobility and child poverty in Great Britain', October 2013

<sup>35</sup> See James Plunkett, 'The Missing Million: The potential for female employment to raise living standards in low to middle income Britain', Resolution Foundation, December 2011

the government must set out the basis on which it is to answer the strategic question of what balance of work and parenting it is seeking to achieve if it is to see child poverty reductions, including a clear statement on what hours of work are deemed reasonable for parents, with measures to reduce child poverty based on that framework.

- **A stable settlement for the value of children's benefits.** International evidence shows that benefits for families with children are one of the most critical child poverty-reduction tools available to government. After a period in which the value of such benefits has been eroded (for example, child benefit will have lost almost 15 per cent of its value over the course of this Parliament), any CPS must contain a clear vision for children's benefits over the next three years, and a stable settlement on uprating.
- **Improved efforts towards ensuring that families receive the support to which they are entitled.** In addition to a strategy for children's benefits, it is crucial that the CPS seeks to ensure that low income families know about, and can access advice to enable them to claim the benefits to which they are entitled. To that end, we would urge that the strategy include a commitment to promote take-up of existing benefits, especially with universal credit subject to delay, and a commitment to investigate and deal with maladministration of benefits, which is often an explanation of hardship. In addition, it is vital that the provision of local welfare assistance schemes be protected.
- **Action to support local authorities to deliver on their duties.** While many of the policy levers that critically effect child poverty are operated at national level, local authorities also have a key role to play. Last year, CPAG asked local authorities how central government could best support them to tackle child poverty. Ideas included: monitoring local child poverty strategies more effectively to keep them high on the political agenda locally; providing funding for advice agencies, to ensure that local authorities can support affected families; rethinking the use of discretionary housing payments budget to ensure it is adequate to allow local authorities to support families as they transition through welfare reforms; and notifying social landlords when claimants move on to universal credit, so that landlords are able to provide support in good time.<sup>36</sup>
- **Support and improvements for children's and family services.** Notwithstanding the evidence that services, including schools and children's centres, cannot substitute for decent incomes, they are nonetheless an important part of the policy mix in tackling child poverty. The CPS should include a strategy for how services for children will tackle child poverty, including 'poverty-proofing' the school day,

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<sup>36</sup> For more detail, see Rys Farthing, 'Local authorities and child poverty: balancing threats and opportunities', Child Poverty Action Group, July 2013

improving the quality of services in poorer areas, and investing in advice services that can assist low-income families to navigate systems of support.

41. Overall, while, as the strategy asserts, tackling child poverty requires the contributions of a range of government and non-government actors, central government's role is key. Central government is ultimately in control of the most important policy levers for tackling child poverty; it is responsible for setting the rules and regulations within which other actors operate; and its commitment to and support for ending child poverty can galvanise local government, business and civil society to ensure that we achieve this crucial goal.

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