



Child Poverty Act 2010: a short guide

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In March 1999 Tony Blair announced a commitment to “eradicate” child poverty in the United Kingdom by 2020. Gordon Brown announced Labour’s intention to enshrine in law the 2020 child poverty target in a speech to the Labour Party Conference on 23 September 2008.

The *Child Poverty Act 2010*, which received Royal Assent in March 2010, fulfilled the commitment to enshrine the child poverty target in legislation. It established four separate child poverty targets to be met by 2020/21, requires the UK Government to publish a regular UK child poverty strategy, requires the Scottish and Northern Irish Ministers to publish child poverty strategies, paved the way for a Child Poverty Commission to provide advice, requires the UK Government to publish annual progress reports, and places new duties on local authorities and other “delivery partners” in England to work together to tackle child poverty.

The *Child Poverty Bill* received cross-party support but the Conservatives argued that the child poverty targets should focus on the underlying causes of poverty.

The current Government amended the 2010 Act to expand the remit of the Commission to also provide advice on, and monitor progress towards improving, social mobility. The Social Mobility and Child Poverty Commission, chaired by Alan Milburn, published its first annual [State of the Nation](#) report in October 2013. It concluded that the 2020 child poverty target was likely to be missed by a considerable margin, and that progress on social mobility could be undermined by the twin problems of youth unemployment and falling living standards.

Following a consultation, the Government published its second [Child Poverty Strategy](#), covering the period 2014-2017, on 26 June 2014. The strategy sets out measures to tackle the “root causes” of child poverty by supporting families into work and increasing their earnings, improving living standards and raising the educational outcomes of poor children.

The Government believes that there is a need for a revised set of child poverty measures that better reflects the evidence about the underlying causes of poverty, but has not yet set out alternative measures. In the meantime, it remains committed to the existing targets and on 26 June 2014 published a [consultation paper](#) on setting a target for “persistent” child poverty. New [statistics on child poverty](#) were released by DWP on 1 July 2014.

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1 What is the Child Poverty Act 2010?

The stated purpose of the *Child Poverty Act 2010* was to “define success in eradicating child poverty and create a framework to monitor progress at a national and local level.”¹ It sets out in legislation a requirement to meet four child poverty targets by 2020. It requires governments to publish a strategy every three years to meet the targets and report annually on progress. It also places new duties on devolved administrations, and on local authorities in England.

The *Child Poverty Bill* was introduced by the Labour Government in the 2008-09 session and was carried over to the 2009-10 session. It received Royal Assent on 25 March 2010.

Tony Blair first announced the commitment to end child poverty by 2020 in March 1999. Gordon Brown announced the Labour Government’s intention to enshrine in law the 2020 child poverty target in his speech to the Labour Party Conference on 23 September 2008.

2 What does the Act do?

The Act:

- Places a **duty on the Secretary of State to meet four child poverty targets** by 2020/21, based on a relative low income measure, a low income measure fixed in real terms, a combined low income and material deprivation measure, and a “persistent poverty” measure
- Requires the UK Government to **publish a UK child poverty strategy**, which must be revised every three years, setting out policies to meet the targets
- Requires **Scottish and Northern Irish ministers** to publish child poverty strategies (the National Assembly for Wales has enacted separate legislation imposing corresponding duties on Ministers in Wales)
- Establishes a **Social Mobility and Child Poverty Commission** to provide advice on strategies
- Requires the UK Government to publish **annual progress reports**
- Places **duties on local authorities and other “delivery partners”** in England to work together to tackle child poverty, conduct a local needs assessment, produce a child poverty strategy and take child poverty into account in the production and revision of their Sustainable Communities Strategies

3 What has happened to child poverty so far?²

Prior to setting a commitment in legislation to “eradicate” child poverty by 2020/21, the previous Labour Government set a goal of halving child poverty by 2010/11 compared with 1998/99.

3.1 Progress to 2010

In 1998/99, there were 3.4 million children living in *relative low income households* (or “relative poverty”), meaning their household income was below 60% of the median before

¹ [Child Poverty Act 2010: Explanatory Notes](#), para 6

² This section by Feargal McGuinness, Library Economic Policy and Statistics Section

housing costs are taken into account.³ The number fell to 2.7 million in 2004/05, before stabilising over the period to 2008/09 at around 2.8 million.⁴

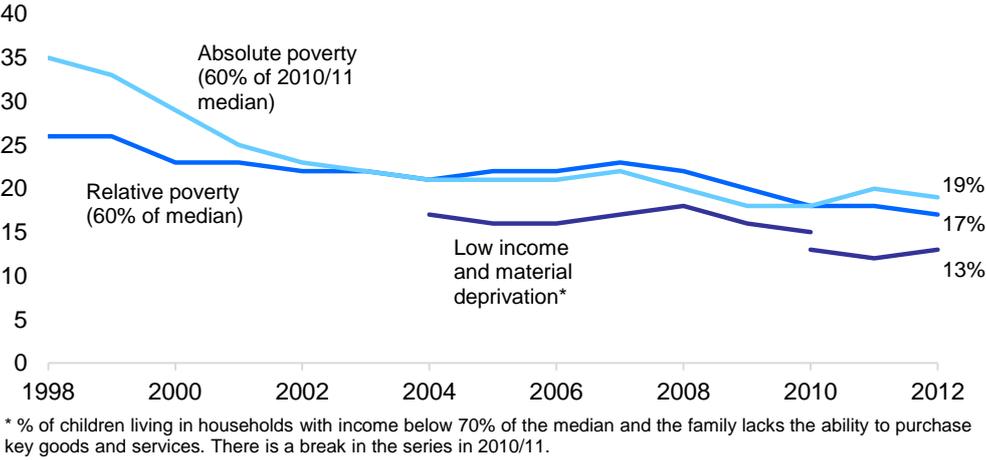
Relative child poverty levels fell further in 2009/10 and 2010/11, as benefit and tax credit income for households with children grew by more than median income.⁵ 2.3 million children (18%) were in relative poverty in 2010/11 – 1.1 million fewer than in 1998/99, but still short of the Labour Government’s target of halving child poverty to 1.7 million.

3.2 Progress since 2010

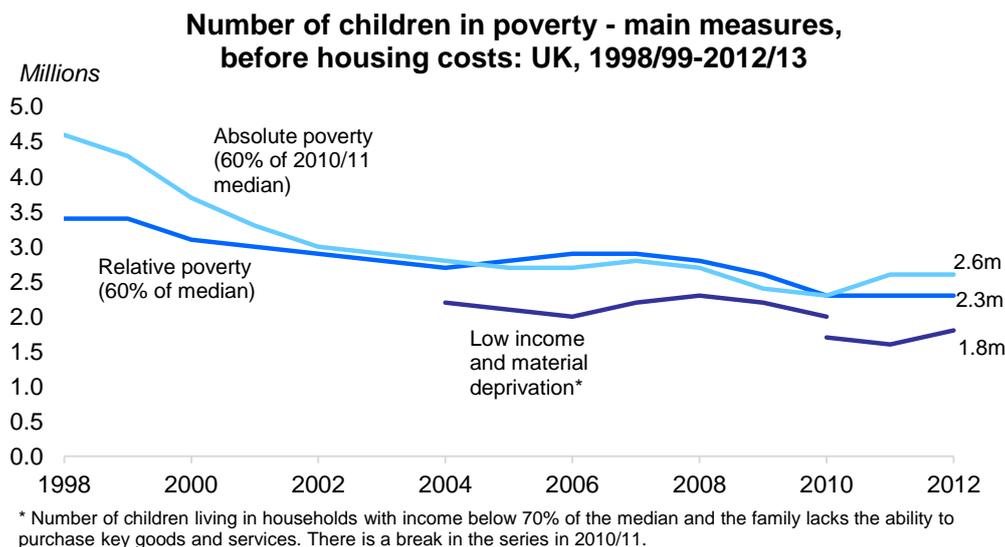
The number of children in relative low income households has remained steady since 2010/11, as incomes for households around the poverty threshold have moved in line with incomes at the median. 2.3 million children – 17% of children – were in relative poverty in 2012/13. This compares to a target of less than 10% of children in relative poverty by 2020/21, as set out in the *Child Poverty Act 2010*.

As discussed in section 4 of this note, the Act also set targets for three other poverty measures – including a target of less than 5% of children in *absolute poverty* by 2020/21, defined as having household income below 60% of the 2010/11 median adjusted for inflation.⁶ Despite relative poverty remaining steady since 2010/11, the proportion of children in absolute poverty has increased as growth in household income has failed to keep pace with rising prices.⁷ 19% of children were in absolute poverty in 2012/13 compared to 18% in 2010/11. (The number in absolute poverty increased from 2.3 million in 2010/11 to 2.6 million in 2012/13.)

Percentage of children in poverty - main measures, before housing costs: UK, 1998/99-2012/13



³ Figures are based on *equivalised* household income, meaning incomes have been adjusted for household size and composition. The median is the middle point of the distribution, at which half of households have a higher income and half have a lower income.
⁴ Statistics on poverty are sourced from DWP, *Households Below Average Income: 1994/95-2012/13*, 1 July 2014
⁵ DWP, *Households Below Average Income: 1994/95-2010/11*, 11 June 2012, p86; W Jin et al, *Poverty and Inequality in the UK: 2011*, Institute for Fiscal Studies Commentary C118, May 2011, pp42-3
⁶ The other targets in the Act include a 5% target for children in households experiencing *combined low income and material deprivation* (household income below 70% of the median and the family lacks the ability to purchase key goods and services) and a target for *persistent poverty* (children who have been in relative poverty for three of the past four years). The Government is [currently consulting](#) on whether the persistent poverty target should be set at 7%.
⁷ The absolute poverty threshold is uprated with RPI inflation.



3.3 Forecasts

The Social Mobility and Child Poverty Commission has warned that the targets in the Child Poverty Act look set to be missed “by a considerable distance”.⁸ Research for the Commission (conducted prior to the release of 2012/13 poverty data) suggested that that around 21% of children would be in relative poverty and 24% in absolute poverty in 2020/21, based on the Office for Budget Responsibility’s March 2014 projections for earnings and employment growth. The Commission research forecast that poverty levels would still remain above the targets under more optimistic scenarios.⁹

For links to further research on future prospects for child poverty, see section 13 below.

4 What are the targets for 2020?

There are four child poverty targets for 2020:

- **Relative poverty** – to reduce the proportion of children who live in relative low income (in families with incomes below 60% of the median, before housing costs) to less than 10%.
- **Combined low income and material deprivation** – to reduce the proportion of children who live in material deprivation and have a low income (below 70% of the median, before housing costs) to less than 5%.
- **“Persistent” poverty** – to reduce the proportion of children that experience long periods of relative poverty, with the specific target to be set by December 2014; and
- **“Absolute” poverty** – to reduce the proportion of children who live below an income threshold fixed in real terms to less than 5%.

⁸ Social Mobility and Child Poverty Commission, *Response to the consultation on the Child Poverty Strategy*, 9 June 2014

⁹ H Reed and J Portes, *Understanding the parental employment scenarios necessary to meet the 2020 Child Poverty Targets*, Research report by Landman Economics/National Institute for Economic and Social Research for the Social Mobility and Child Poverty Commission, June 2014

While the stated purpose of the legislation is the “eradication” of child poverty, the targets are not zero. The Labour Government said that the target rates reflected the lowest sustained rates of child poverty achieved in European countries in recent years, and that it would not be technically feasible to achieve zero poverty using a survey measure because of the under-reporting of incomes and the fact that snapshot surveys do not always accurately reflect the living standards of those with low fluctuating incomes.¹⁰

On 26 June 2014 the Government published a consultation paper, [Setting the 2020 persistent child poverty target](#). It proposes that the target for persistent child poverty should be to reduce the proportion of children living in a household in relative poverty for at least three out of the previous four years to 7%. The paper states that this level “would be consistent with achieving the existing relative low income target, based on evidence about the historic relationship between relative and persistent child poverty and assuming this relationship continues.”¹¹ Responses are invited by 14 August 2014.

The Government has signalled its intention to replace the existing child poverty measures with alternative measures focusing on the “underlying causes” of child poverty, but has not yet put forward proposals and in the meantime remains committed to the existing targets. In a Written Ministerial Statement on 26 June Iain Duncan Smith said:

...it is our firm belief that we need a revised set of child poverty measures which underline our commitment to ending child poverty, but better reflect the evidence about its underlying causes and where we need to target action most.

We are not yet in a position to put these forward. In the meantime, the Child Poverty Act 2010 requires us to set a persistent child poverty target through affirmative regulations by December 2014. As we will not have put forward new measures by then, the Government remain committed to meeting their existing obligations under the Act.¹²

5 Why are there four child poverty targets?

The justification was that no single measure captures every aspect of poverty. The main emphasis is on low income, but the inclusion of a combined low income and material deprivation indicator recognises that income may not always accurately reflect the extent to which a family can afford necessities. The persistent poverty target recognises that longer periods in poverty can have a serious impact on children’s experiences and life chances.¹³

While the Act requires all four targets to be met, it is likely that the greatest attention will be focused on the relative income poverty indicator.

6 What should child poverty strategies include?

The Act requires the Secretary of State to publish a strategy every three years setting out how the UK Government intends to do to meet the child poverty targets, and also to ensure that as far as possible children do not suffer “socio-economic disadvantage.” The latter requirement is intended to ensure that governments take into account children not covered by household income surveys (such as children in institutions).

¹⁰ *Impact Assessment for the Child Poverty Bill*, December 2009, para 1.15; see also Child Poverty Unit, *Ending child poverty: making it happen*, January 2009, paras 52-53

¹¹ [Setting the 2020 persistent child poverty target](#), para 4

¹² [HC Deb 26 June 2014 cc38-9WMS](#)

¹³ *Ending child poverty: making it happen*, January 2009, chapter 3

When preparing a child poverty strategy, the Secretary of State must consider whether measures should be taken in certain areas. These “building blocks” include:

- parental employment and skills
- financial support for children and parents
- information, advice and assistance to parents and promotion of parenting skills
- physical and mental health, education and social services
- housing, the built and natural environment and the promotion of social inclusion

Second and subsequent strategies must also review progress under the previous strategy.

When preparing a UK strategy, the Secretary of State must consult all three devolved administrations; and such local authorities and associations of local authorities in England, children and parents, and organisations working with or representing children and parents, as he sees fit.

The devolved administrations in Scotland and Northern Ireland are also required to publish child poverty strategies. There is no corresponding duty on Welsh Ministers under the Act, but the National Assembly for Wales has passed legislation which makes equivalent provision.¹⁴

The UK child poverty strategy, and advice given by the Commission to the UK and devolved governments, must take into account economic and fiscal circumstances, and the likely economic and fiscal impact of any measure. Scottish and Northern Irish Ministers must also take into account the resources available to them when preparing their strategies.

7 What is the role of the Social Mobility and Child Poverty Commission?

The introduction to a recent report by the Social Mobility and Child Poverty Commission gives the following information about the Commission and what it does:

The Social Mobility and Child Poverty Commission is an advisory non-departmental public body established under the Child Poverty Act 2010 (as amended by the Welfare Reform Act 2012) with a remit to monitor the progress of the Government and others on child poverty and social mobility. It is made up of ten commissioners and is supported by a small secretariat. Its members are:

- The Rt. Hon. Alan Milburn (Chair).
- The Rt. Hon. Baroness Gillian Shephard (Deputy Chair).
- Tom Attwood, currently a Non-Executive Director at the Centre for Social Justice and formerly Managing Director of the Intermediate Capital Group.
- Anne Marie Carrie, Chief Executive of Kensington and Chelsea Education Ltd.
- Paul Cleal, Government & Public Sector Leader at Price Waterhouse Coopers.
- Paul Gregg, Professor of Economic and Social Policy, University of Bath.

¹⁴ *Children and Families (Wales) Measure 2010*

- Christian Guy, Director of the Centre for Social Justice.
- Douglas Hamilton, Director of the RS Macdonald Charitable Trust.
- David Johnston, Chief Executive of the Social Mobility Foundation.
- Catriona Williams OBE, Chief Executive of Children in Wales.

The functions of the Commission include:

- Monitoring progress on tackling child poverty and improving social mobility, including implementation of the UK's child poverty strategy and progress against the 2020 child poverty targets, and describing implementation of the Scottish and Welsh child poverty strategies.
- Providing published advice to ministers on matters relating to social mobility and child poverty.
- Undertaking social mobility advocacy.¹⁵

For further information see the “[about us](#)” section at the Commission’s website.

8 What difference will the Child Poverty Act make?

Legislation introducing binding targets for governments is a relatively recent phenomenon in the United Kingdom, and there is considerable uncertainty about what difference it actually makes, and whether it offers an effective mechanism for holding governments to account.¹⁶ The requirement in the Act to meet the child poverty targets is not subject to any qualification, but child poverty strategies must take into account “economic and fiscal circumstances.” In its report on the Bill, the Joint Committee on Human Rights concluded that while judicial review of the adequacy of measures taken by governments to meet the child poverty targets was in principle possible, it would in practice be available only in limited circumstances, for example where a Secretary of State refused to draw up a strategy, or where there was clear evidence to show that the targets were going to be missed so that no reasonable Secretary of State could maintain such a strategy consistently with their duty to meet the targets.¹⁷

Others have argued that an emphasis on income poverty targets risks skewing policy responses towards measures which have a more immediate impact on household incomes (such as benefit increases) rather than measures aimed at improving other aspects of children’s lives and addressing the intergenerational transmission of child poverty (e.g. reducing the gap in educational achievement).¹⁸ However, introducing a wider set of targets could make it more difficult to gauge overall progress and to hold governments to account. Institute for Fiscal Studies researchers suggested that “...expansion of the scope of the targets should be accompanied by a strengthening in the process of independent verification of the child poverty strategy and progress towards meeting the targets.”¹⁹

¹⁵ *Response of the Social Mobility and Child Poverty Commission to the UK government’s consultation on the draft Child Poverty Strategy 2014 to 2017*, May 2014

¹⁶ See Library Research Paper 09/62, pp43-45

¹⁷ *Legislative Scrutiny: Child Poverty Bill*, HL 183/HC 1114 2008-09, para 1.36

¹⁸ See for example Mike Brewer, *What is the point of the Child Poverty Bill?*, IFS Observations, November 2009

¹⁹ *Independent Review on Poverty and Life Chances Response by: Mike Brewer, Claire Crawford and Luke Sibieta*

9 What did the Conservatives and the Liberal Democrats say about the Bill?

The Bill received cross-party support but both the Conservatives and the Liberal Democrats criticised elements of the Bill.

The Conservatives reiterated their support for ending child poverty, but argued that the Bill's real purpose was to distract attention from the expected failure to meet the 2010 child poverty target. Legislating to end child poverty without tackling its "root causes" would not, they argued, eradicate child poverty by 2020. The then Opposition Spokesman on Welfare Reform, Lord Freud, said that the Conservatives would focus on "tackling the causes rather than the symptoms of poverty", and that they would target four areas in particular:

- Family breakdown, including ending the 'couple penalty' in the tax credits system;
- Addiction to drugs and alcohol, with an emphasis on rehabilitation;
- Education and skills, including a 'pupil premium'; and
- A 'Work Strategy', with outcome-based financing to support the economically inactive who were able to work.²⁰

The Conservatives' key concern was that the targets in the Bill were "poor proxies for achieving the eradication of child poverty", and the Conservatives would "aim to widen the agenda and build up targets, which are more likely to address the underlying causes of poverty."²¹

The Liberal Democrats strongly welcomed the commitment in the Bill to tackle child poverty, but raised a number of issues, including the need for the Child Poverty Commission to have sufficient "teeth and resources", whether an 'absolute' target was necessary, the adequacy of benefits, and the lack of explicit recognition of the needs of disabled children or parents.²²

10 How did Labour plan to tackle child poverty?

The Labour Government did not publish a child poverty strategy before the dissolution of Parliament, but it published a number of studies and reports on policy options in the run up to the *Child Poverty Bill*.²³ In addition, it published a "strategic direction paper", *Ending child poverty: mapping the route to 2020*, alongside the Budget on 24 March 2010, which set out how it intended to make progress towards the 2020 targets.

The document emphasised promoting employment as the best route out of poverty, but also said that measures to improve children's life chances would be central to any sustainable approach to the 2010 targets. Labour's child poverty strategy would therefore also focus on early childhood development, narrowing the gap in educational attainment, and promoting smooth transitions from adolescence and adulthood. Local action to tackle "pockets of deprivation" would also be important.

Ending child poverty: mapping the route to 2020 also gave the results of new simulations carried out by HM Treasury of the level of child poverty in 2020. These suggest that, without

²⁰ HL Deb 15 January 2010 cc25-27

²¹ HL Deb 15 January 2010 c26

²² HC Deb 20 July 2009 cc612-630; HL Deb 15 January 2010 cc27-31

²³ See Part 3 of [Library Research Paper 09/62](#)

new policy measures, by 2020/21 there could be around 3.5 million children (25%) in relative income poverty, 2.1 million more than the target. The report estimated that increasing parental employment rates and reducing the incidence of teenage pregnancy could reduce the shortfall by about 1 million, but the Institute for Fiscal Studies (IFS) said at the time that it thought this was based on a “set of very ambitious assumptions.”²⁴ Achieving higher rates of benefit take-up and reducing in-work poverty could, the Labour Government’s analysis suggested, reduce the shortfall by a further 900,000 or thereabouts, but the IFS commented:

...the first [increasing benefit take-up] is hard to achieve in practice and the second [reducing in-work poverty] is a leap of faith, and this would still leave a residual 200,000 children to be lifted out of poverty by unspecified ‘other’ policies.²⁵

11 What does the Government’s Child Poverty Strategy for 2014-2017 include?

The Government’s second [Child Poverty Strategy](#) – covering the period 2014 to 2017 – states that it intends to tackle child poverty by taking action in three broad areas:

- Supporting families into work and increasing earnings;
- Improving living standards; and
- Preventing poor children becoming poor adults by improving educational outcomes for poor children.

A press release summarises some of the proposed actions in each area:

Actions set out in the strategy which the government are taking from 2014 to 2017 to tackle child poverty include the following.

Supporting families into work by:

- helping businesses to create jobs
- helping people to take up work through Jobcentre Plus and schemes such as the Work Programme and the Troubled Families Programme
- making work pay and having clearer work incentives through introducing Universal Credit, with more help for childcare
- tackling low pay by raising the minimum wage and the personal tax allowance, continuing to lift low-income families out of the tax system
- helping people move on to better jobs and improving the qualifications of parents through adult apprenticeships, investing in English and maths and helping parents through the National Careers Service

Reducing costs to support people’s living standards by:

- reducing energy, extending the Warm Home Discount and helping people to make their homes more energy efficient
- capping the bills of low-income families with 3 or more children on a water meter and promoting social tariffs

²⁴ [Poverty and inequality in the UK: 2010](#), p49

²⁵ [Poverty and inequality in the UK: 2010](#), p49

- reducing food costs for low-income families through introducing free school meals for all infant school pupils alongside Healthy Start Vouchers for young children, breakfast clubs in deprived areas, and free fruit and vegetables at school for primary school children
- reducing transport costs for low-income families
- increasing access to affordable credit for low income families through expanding credit unions

Raising educational attainment by:

- increasing the number of poor children getting quality pre-school education
- introducing an Early Years Pupil Premium to help ensure 3 and 4 year olds from the most disadvantaged backgrounds get the best start in life
- ensuring poor children do better at school by giving disadvantaged pupils an additional £14,000 throughout their school career – a £2.5 billion a year commitment through the Pupil Premium
- supporting poor children to stay in education post-16 through training, apprenticeships, traineeships, and better careers advice
- helping parents provide the best possible home environment by supporting parenting classes and providing free books to poor families
- helping parents who experience mental health issues, investing in drug and alcohol dependency treatment and supporting young carers
- increasing support for children with Special Educational Needs²⁶

12 What reactions have there been to the new strategy?

To date, there have been few detailed responses to the new Child Poverty Strategy for 2014-2017. Commenting on the publication of the strategy, the Chief Executive of the Child Poverty Action Group, Alison Garnham, said:

We welcome the Government's continued commitment to ending child poverty by 2020 but today's strategy isn't good news for a generation of children that needs the government to invest in their childhoods and life chances.

The strategy does not add up to being a plan to end child poverty. It ignores independent projections which suggest the UK is heading for the steepest rise in child poverty for a generation. Crucially, it fails to set out clear actions, milestones and progress measures that would set child poverty on a downward trend.

Worryingly, half of those who responded to the government's strategy consultation raised concerns about the impact of welfare reform on low income families. Rather than take these views on board, the government looks set to continue with policies that experts show are impoverishing families across the UK.

Child poverty already costs Britain £29bn a year. The costs of child poverty will rise unless successive governments implement child poverty strategies that do more than

²⁶ ["Child poverty strategy launched,"](#) DWP/DfE press release, 26 June 2014

promote jobs but also tackle low pay, promote affordable housing and childcare and help families with the added costs of children.²⁷

A number of organisations commented on the draft Child Poverty Strategy published earlier this year. Links to the submissions by selected organisations are given below:

- Child Poverty Action Group, [Consultation on the Child Poverty Strategy 2014-17: CPAG's response](#), May 2014
- Children's Society, [Consultation on the draft Child Poverty Strategy 2014-17: The Children's Society response](#), May 2014
- End Child Poverty, [End Child Poverty response to the Child Poverty Strategy consultation](#), May 2014
- Joseph Rowntree Foundation, [Child Poverty Strategy 2014/17 Consultation: Joseph Rowntree Foundation response](#), May 2014
- National Children's Bureau, [NCB response to the consultation on the Child Poverty Strategy 2014-17](#), 22 May 2014
- Office of the Children's Commissioner for England, [Response to the government's child poverty strategy 2014-17](#), May 2014
- Social Mobility and Child Poverty Commission, [Response to the consultation on the Child Poverty Strategy 2014 to 2017](#), May 2014
- Welsh Government, [Response from Jeff Cuthbert AM and Vaughan Gething AM to the draft UK Child Poverty Strategy](#), 23 May 2014

The following [press release issued by the Social Mobility and Child Poverty Commission on 9 June](#) summarises its response to the draft which preceded the Child Poverty Strategy published on 26 June:

Commission publishes response to the draft child poverty strategy

The Social Mobility and Child Poverty (SMCP) Commission today publishes its assessment of the UK government's draft child poverty strategy.

The [Commission's assessment](#) finds that 3.5 million children will be in absolute poverty - almost 5 times the number needed to meet the government's legal obligation to end child poverty by 2020 - and that the government lacks any credible plan to get back on track.

The Commission concludes that the [government's draft child poverty strategy 2014 to 2017](#) is a missed opportunity and falls far short of what is needed. The Commission recognises there are some good things in the strategy - such as the extension of childcare support for low-income families and greater acknowledgement of the problem of working poverty than there was in the last strategy - but believes they will not be enough to prevent child poverty rising over the next few years, let alone to deliver the large reductions in poverty needed to meet the 2020 targets.

The Commission backs its analysis with [new research](#) that it is publishing today. This challenges the government's claim that slippage on reducing child poverty will be

²⁷ "Child Poverty Strategy is not a plan to end child poverty," CPAG press release, 26 June 2014

corrected by getting more people into work through Universal Credit and welfare reform. The new research, carried out for the Commission by Landman Economics and the National Institute for Economic and Social Research, finds that the 2020 child poverty targets will be missed by a large margin even if the UK achieves OECD-beating employment rates.

The research estimates that even heroic assumptions about parental employment rates and earnings would still leave over 3 million children - 21% - in absolute poverty by 2020.

Indeed, the new research finds that achieving the 2020 targets within the current tax and benefit system would require parental employment rates of close to 100% combined with big increases in the working hours of families in working poverty over and above the requirements of Universal Credit.

Such employment outcomes for parents are implausible - they are far more ambitious than have ever been achieved in the United Kingdom or anywhere else in the world.

The Commission says in its report that the new research throws down a challenge to all the political parties to set out detailed plans for how their shared ambition of reducing - and ending - child poverty can be achieved.

In its report the Commission identifies problems with the government's strategy for reducing child poverty, including:

- lack of any clear measures to assess progress with the government continuing to distance itself from statutory measures in the Child Poverty Act 2010 - which senior ministers describe as 'discredited' - without suggesting any alternatives. The Commission says this is not acceptable - a strategy which cannot be measured is meaningless
- absence of a step-by-step plan for meeting the targets leaving the strategy as a list of policies rather than a detailed plan that is specific about what needs to happen to jobs, wages and benefits to ensure poverty goes down
- failure to engage with independent projections that poverty is set to increase substantially such as those from the Institute for Fiscal Studies, leaving a credibility gap at the heart of the strategy
- lack of new action on in-work poverty with policies being insufficient to achieve the ambition set out in the strategy to tackle low pay and help parents progress into higher paying jobs
- limited action to get other parts of society engaged in tackling poverty with only tentative steps being taken to guide the efforts of others - such as employers - in delivering a low poverty society
- ignoring the impact of additional welfare cuts, with the expected £12 billion of cuts to the welfare budget in the next Parliament - equivalent to 13% of expenditure on working-age adults on children - making achieving the targets even more challenging: the Commission believes this is the elephant in the room in the draft strategy

Rt. Hon. Alan Milburn, the Chair of the Commission, said:

The government's draft child poverty strategy is a missed opportunity. The farce of ministers proving unable to agree on how to measure poverty after rubbishing existing measures is particularly lamentable.

The government's approach falls far short of what is needed to reduce, yet alone end child poverty in our country. Our new research shows that the gap between the objective of making child poverty history and the reality is becoming ever wider.

This is not just an issue for the current government. Politicians from all parties say they are committed to the 2020 targets. Willing the ends without the means today merely becomes a broken promise tomorrow.

Across the political spectrum, party leaders now need to come clean about what they plan to do to hit the targets, or what progress they can deliver if they expect to fall short.

To ensure the government's final strategy is an effective and credible plan for tackling child poverty, the Commission urges ministers to revise its draft and develop a step-by-step plan for how the 2020 targets will be met. The Commission's State of the Nation report published last year called for:

- action on in-work poverty including clearer cross-government strategies on low pay and on pay progression
- action on making work pay including integrating 'passported benefits' into Universal Credit, ensuring sufficient childcare support to make work pay and ensuring that no family who 'does the right thing' is in poverty
- action on the cost of living including tackling the 'poverty premium' faced by low income families, ensuring all families can afford the 'basics' and helping more families to access stable housing
- action on future fiscal consolidation including a fairer intergenerational sharing of welfare cuts, a new role for the Office for Budget Responsibility in assessing the social mobility and child poverty impacts of budgets and ensuring that cumulative impact assessments of future cuts are carried out

13 What are the prospects for meeting the 2020 child poverty targets?

While campaigners have welcomed the *Child Poverty Act*, there is concern that legislation on its own will not be enough to eradicate child poverty. Responses to the consultation which preceded the Bill argued that there should be greater recognition of the nature and scale of the problems that currently exist and how these should be addressed, and that governments would need to demonstrate continued resolve and commitment to tackle child poverty effectively.²⁸

Major question marks remain about whether governments will be able and willing to commit the necessary resources to reduce child poverty rates to meet the 2020 targets, and about the appropriate mix of policies to tackle child poverty effectively and permanently. Commentators agree that no single policy can achieve the targets and that action will be needed on a number of fronts simultaneously to reduce worklessness, increase financial and material support for parents and tackle in-work poverty. Any strategy would have to address fundamental issues such as the quality, cost and availability of childcare; how to raise educational attainment and skills to improve parents' earning potential and to tackle the

²⁸ See Library Research Paper 09/62

intergenerational transmission of poverty; how to create the necessary labour market opportunities to enable working parents to escape poverty; and the trade-offs between offering improved financial support to parents while maintaining incentives to work.

The scale of the challenge will however ultimately depend on what the child poverty targets are. Any attempt to change the targets could prove highly controversial.

The following reports consider the prospects for child poverty up to 2020:

- James Browne, Andrew Hood and Robert Joyce, *Child and working-age poverty in Northern Ireland over the next decade: an update*, Institute for Fiscal Studies Briefing Note BN144, January 2014 (NB updates previous IFS projections of child and working-age poverty in Northern Ireland **and** the UK as a whole)
- Save the Children, *A fair start for every child: Why we must act now to tackle child poverty in the UK*, May 2014
- Social Mobility and Child Poverty Commission, *Understanding the parental employment scenarios necessary to meet the 2020 Child Poverty Targets*, Research report prepared by Howard Reed, Landman Economics; and Jonathan Portes, National Institute of Economic and Social Research, June 2014