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**End Child Poverty briefing**

**Welfare Reform & Work Bill 2015 Report stage: 27October 2015**

**About the End Child Poverty Coalition**

The End Child Poverty coalition consists of over 100 organisations in the UK.[[1]](#footnote-1) We believe that no child should live in poverty and all children should be cared for and have opportunities to learn and grow. A lack of financial security and opportunity undermines this shared goal, and it is more important than ever to take action to end child poverty.

* **The Government must recognise that financial security should be part of a life chances approach to tackling child poverty: Measures on educational attainment and worklessness are important, but they need to be supplemented with a low income measure.**
* **End Child Poverty is particularly concerned about the lack of a measure of child poverty amongst low income working families. Low income from work (not just worklessness) is the most important factor standing in the way of lifting children out of poverty.**
* **To this end, we recommend the following amendment to the Welfare Reform and Work Bill:**

***Clause 4, part A1A paragraph 1. After line 37 insert:***

***(e) the number of children living in low income families.***

* **This amendment would ensure that the Government continue to monitor and report on the number of children in low income families as part of the set of life chances indicators. This monitoring would ideally be achieved through existing child poverty measures, which are rigorous and highly regarded.**

Child poverty is complex, and research shows that a multi-dimensional approach is needed which includes:

* Increasing financial security, through employment and social security, and by reducing living costs
* Improving life chances through education and employment, and
* Investing in communities to increase access to opportunities.

**Financial security is an important part of a life chances approach, because:**

1. **No child should have to go without basic material necessities.** We cannot ignore the lived experience of child poverty in the here and now.
2. **We must tackle in work poverty**: The proposed measures in the Bill on educational attainment and worklessness, are relevant indicators that are linked to child poverty, **but two-thirds of children in poverty live in households where there is someone in work.[[2]](#endnote-1)** Replacing existing measures and targets with measures that do not address in-work poverty, will undermine the Government’s aims.
3. **It is linked with opportunities and social mobility**: Growing up without financial security can significantly affect children’s wider outcomes. It has a strong relationship with educational prospects, health and wellbeing.[[3]](#endnote-2) It influences children’s environment, and can lead to them experiencing stigma and anxiety.
4. **Income inequality is growing:** Inequality of income is rising in the UK and this fundamentally impacts upon the availability of other opportunities. Persistent low income often results in debt. Not having assets and being financially excluded prevents people from making choices and engaging in training and employment.

**The Government is committed to tackling child poverty and making this a country that rewards work, but End Child Poverty is seriously concerned that the financial security of working families is being undermined:**

* **Child poverty is rising:** Independent projections from the IFS show clearly that the falls in child poverty rates seen at the beginning of this century risk being reversed. By 2020/21, the IFS projects an increase of around 0.7 million children in relative child poverty and an increase of over a million in absolute child poverty compared to the 2010/11 baseline. If the proposals in the Bill are enacted we should expect child poverty to rise even more steeply, for example, in January 2013, the government estimated that the three years of 1 per cent uprating alone would put 200,000 more children in poverty by 2015/16.[[4]](#endnote-3)
* **Cuts to tax credits are threatening the security of working families.** As well as increasing child poverty, these changes significantly weaken incentives to work as the impact of cuts will fall disproportionately on low income working families. The Government’s Evidence Review of the Drivers of Child Poverty (January 2014) found that a lack of sufficient income from parental employment, (**not just worklessness but low income from work**,) is the most important factor standing in the way of children being lifted out of poverty.[[5]](#endnote-4)
* **Increases to the National Minimum Wage (NMW) are inadequate compensation**.[[6]](#endnote-5) While welcome, deductions from benefits and tax credits mean that low income families with children keep very little of any gain in earnings. In addition, any gains in earnings are substantially overshadowed by major cuts to social security entitlements.

The principle of the existing Child Poverty Act – which had cross party support at its implementation in 2010 – was that no child in the UK should live in poverty, but that all should have financial security, a good home, and the educational opportunity they need to give them the best chance in life. It is essential that the government is accountable on the issue of child poverty, just as it is on worklessness and educational attainment.

**The proposed new life chances measures – though valuable in themselves – are insufficient on their own. End Child Poverty urges the Government to ensure that children and families have financial security as part of a life chances approach, and maintain a focused and steadfast determination to end child poverty. We must keep measuring income, ideally through measures set out in the Child Poverty Act, which have been subject to much academic rigour. Those existing measures are a recognition of the role income plays to child outcomes and life chances. To remove these reflects a weakening of the Government’s commitment to addressing child poverty.**

**For the sake of a whole generation of children, it is vital that the government reconsiders, and renews the commitment made by David Cameron in 2006: *‘I want this message to go out loud and clear: the Conservative Party recognises, will measure and will act on relative poverty’*.**

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1. Including 4Children, Action for Children, The Archbishops Council of the Church of England, Barnardos, Buttle UK, Child Poverty Action Group, The Children’s Society, Contact a Family, Family Action, Family and Childcare Trust, Gingerbread, National Children’s Bureau, Oxfam, Save the Children, TUC. [↑](#footnote-ref-1)
2. IFS Reports (R107): Living standards, poverty and inequality in the UK: 2015 [↑](#endnote-ref-1)
3. <http://www.jrf.org.uk/sites/files/jrf/money-children-outcomes-full.pdf> [↑](#endnote-ref-2)
4. House of Commons, Hansard, Written Answers, 15 January 2013, col 715W, http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm130115/text/130115w0003.htm [↑](#endnote-ref-3)
5. https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/285389/Cm\_8781\_Child\_Poverty\_Evidence\_Review\_Print.pdf [↑](#endnote-ref-4)
6. IFS Briefing Note BN175: An Assessment of the potential compensation offered by the new ‘National Living Wage’ for the personal tax and benefit measures announced for implementation in the current parliament. [↑](#endnote-ref-5)