



HM Government

Child Poverty Strategy 2014-17

June 2014



Child Poverty Strategy 2014-17

Presented to Parliament
by the Secretary of State for Work and Pensions
pursuant to section 9 of the Child Poverty Act 2010
June 2014



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Print ISBN 9781474108270
Web ISBN 9781474108287

Printed in the UK

by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office
ID 25061401 06/14

Printed on paper containing 75% recycled fibre content minimum.

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The Government aims to reduce child poverty across the United Kingdom. We also recognise that many of the policy levers which are needed to reduce poverty are the responsibility of the devolved administrations and that many of the actions outlined in this Strategy will only apply to England. Each of the devolved administrations is responsible for producing their own strategy on child poverty and for taking action on child poverty in those areas where policy is devolved. The Government will continue to work closely with the devolved administrations to reduce child poverty across all parts of the United Kingdom.

Foreword – Secretary of State for Work and Pensions



The Coalition Government's first Child Poverty Strategy was published three years ago, in the midst of the toughest economic times for a generation. Following the global recession, our challenge was to repair Britain's economy – vital not only to securing our country's future but also to people's lives. After all, if we didn't restore our finances, the biggest losers in the end would be the poorest in our society, those who most rely on public services and Government support in order to turn their own lives around.

Since 2011, we have made real progress in restoring our economy and supporting a burgeoning labour market – action which has made a meaningful difference to children's lives in the process. There are now fewer children living in workless households than at any time since records began, having fallen by 290,000 since 2010. Each parent who has gained a job has gained a sense of security alongside, there are children who have gained a role model to look up to, offering hope and self-worth, with aspirations for their own future transformed. So too where Government support has helped parents to escape problem debt or break free from addiction, or where early intervention has maintained a stable, loving family environment, giving children the best chance of a success themselves.

This is the kind of life change that makes a lasting difference to children's outcomes. What the last Government's record makes clear is that it cannot be achieved through income transfers alone. The doctrine of 'poverty plus a pound' failed because it put process ahead of people – pouring money into benefits and tax credits for low income families, but without asking whether that made a real difference to why they were in poverty in the first place. Instead of treating the symptoms of poverty, it was time to treat the cause.

This Strategy restates the Government's commitment to tackle poverty at its source – be it family breakdown, educational failure, addiction, debt or worklessness. We are clear that this task starts from the earliest stages in a child's life. Through our investment in the early years and the Pupil Premium, we are determined that to give youngsters the best possible start, with schools seen by struggling families as the route to a better life for their children. By tackling the barriers faced by disadvantaged children, raising educational attainment, and leaving no child behind, we can break that destructive cycle of poverty.

Work also continues to be a focus in our vision for tackling child poverty. By tackling the particular factors which make it harder for some poor families to work their way out of poverty, we will give them a better opportunity to make that positive move. Our welfare reforms are about ensuring it is no longer more worthwhile to be on benefits than in work, and through Universal Credit, we are restoring not only the incentive to get a job, but what's more, to progress onwards and upwards towards self-sufficiency. As families do so, support to protect their living standards remains important. That is why we are taking steps to reduce household costs – from fuel and energy, to food, water, and transport. At the same time, by widening access to affordable credit, expanding the supply of affordable homes

and increasing the National Minimum Wage by the largest cash amount in six years, we are helping parents to afford the essentials that matter to their children.

Clearly there is still more to do if we are to realise that ambition. And to make it a reality, we need effective services that reach beyond central government alone. We must harness inspirational local leadership, and build strong partnerships across a diverse range of organisations. Our Strategy renews the impetus for the further action needed – not only from central and local government, but so too employers, the voluntary and community sectors. To make further meaningful progress to tackling child poverty, we must work together to transform the lives of the poorest in our society.

A handwritten signature in black ink, appearing to read 'Iain Duncan Smith', with a stylized flourish at the end.

The Rt Hon Iain Duncan Smith MP
Secretary of State for Work and Pensions

Foreword – Minister of State for Schools



Tackling child poverty must be a key priority for any government. In an advanced economy such as ours, we cannot stand by when disadvantaged children not only suffer the effects of poverty today, but are four times as likely to become poor adults. We need action now to make sure that where you start in life does not determine where you end up.

Our Child Poverty Strategy is a clear and thorough account of the Coalition Government's commitment to improving conditions for poor children and breaking this cycle of disadvantage. We are taking a rigorous, evidence based approach which focuses on sustainable solutions that work for the long-term and make our society fairer.

We know that education is the key; poor children who do well at school are much less likely to become poor adults. And we are making progress. Under this Government, poor children are doing better than ever at school – the proportion of children on free school meals getting 5 good GCSEs has increased from 31% in 2010 to 38% in 2013.

But more than 6 in 10 children on free school meals still fail to secure good grades. We are determined to raise the attainment of all our children and help the poorest catch up and I am proud of the decisive action the Coalition has taken. Since 2011, we have invested £3.75 billion in the Pupil Premium so that schools can ensure that their poor children reach their full potential.

This year, the Pupil Premium will be worth £2.5bn. This means that children who are poor throughout their school career will now receive an additional £14,000 to boost their attainment. By working closely with Ofsted, we will maximise the effect of this investment and make sure that schools are held to account for closing the attainment gap for disadvantaged pupils. Our Progress 8 secondary accountability framework will help schools target progress for all their pupils, including those from disadvantaged backgrounds, rather than only focus on moving pupils over the C/D grade boundary.

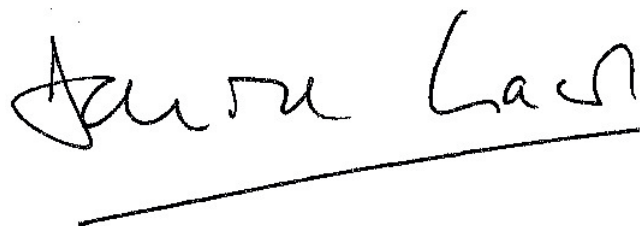
We also need to address attainment gaps in the early years and our Strategy sets out this Government's focus on early education. On top of existing provision, we have committed £760m to provide additional funded early years education places for 260,000 disadvantaged 2 year olds and we are investing a further £50m through the Early Years Pupil Premium.

Further, from this September, all infant school children will receive free school meals. This will mean that an additional 100,000 poor children can eat a free, nutritious meal, bringing free school meals to many infants living in poverty for the first time. This is a major investment in all our young children and will level the playing field for the poorest.

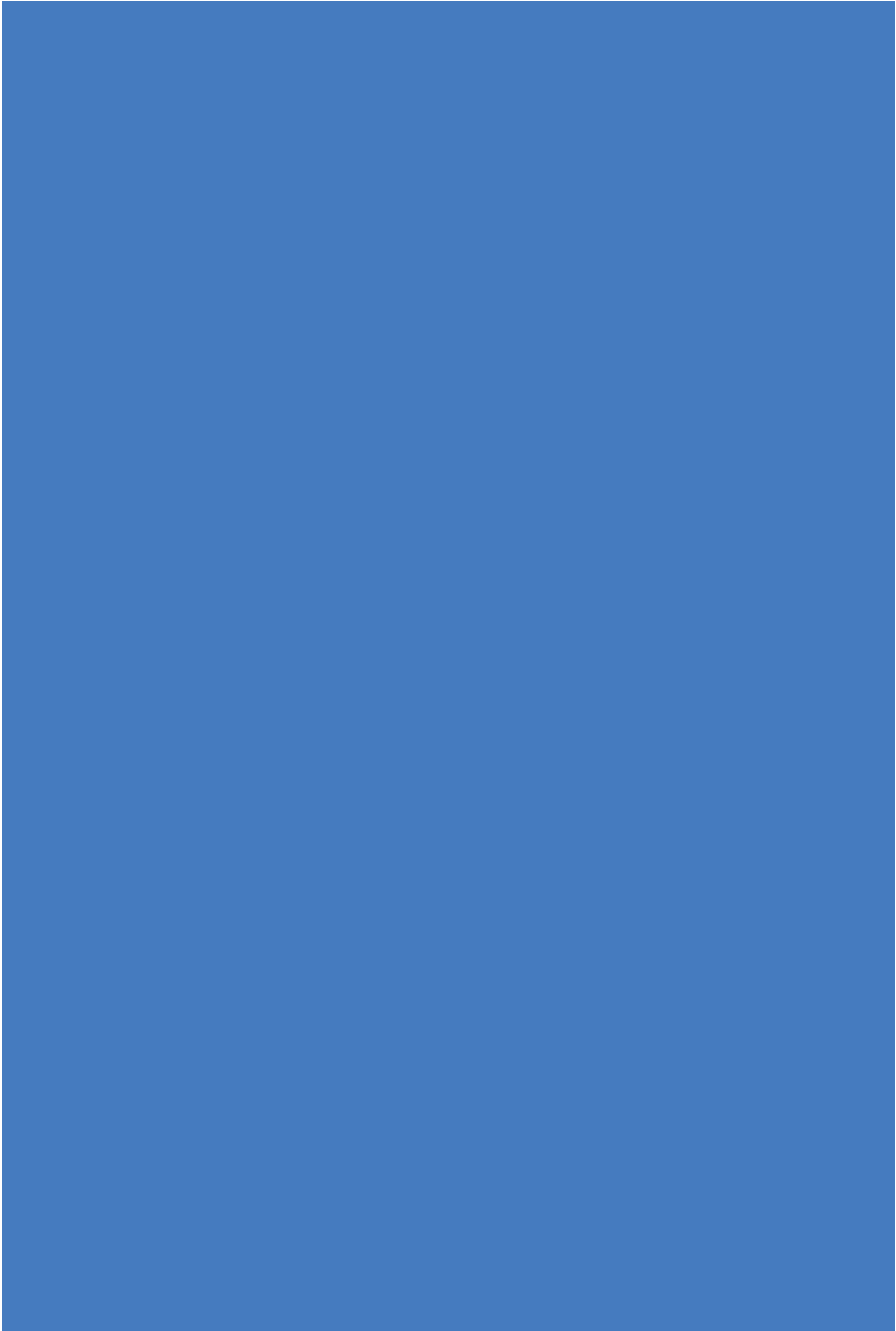
Across Government, we are determined to support hard-working families and address the experience of children in poverty now. We have cut income tax for those on the minimum wage by almost two thirds and we are further reducing the cost of living for low income families with more support for affordable housing, reduced utility bills and a cap on payday lenders.

No child should have to live in poverty. No child should become a poor adult for the simple reason that their parents were poor. Education is the key tool we must use to break this cycle.

We want to work together with you to build a stronger economy and fairer society for all our children.

A handwritten signature in black ink, reading "David Laws". The signature is written in a cursive style. Below the signature is a solid black horizontal line.

The Rt Hon David Laws MP
Minister of State for Schools



Executive summary

1. This Government is focused on breaking the cycle of disadvantage – where you start in life should not determine where you end up. Ending child poverty is an essential part of this vision. This Government remains firmly committed to the goal of ending child poverty in the UK by 2020. This Strategy meets our requirements under section 9 of the Child Poverty Act 2010.
2. Child poverty matters. Whilst some children thrive despite the poverty they grow up in, for many children growing up in poverty can mean a childhood of insecurity, under-achievement at school, poor health and isolation from their peers. Children who grow up in poverty all too often become the parents of the next generation of children living in poverty.
3. This Strategy sets out the action we will take from 2014-17 to tackle child poverty through:
 - Supporting families into work and increasing their earnings;
 - Improving living standards; and
 - Preventing poor children becoming poor adults through raising their educational attainment.
4. In many areas we have made good progress in tackling child poverty. For example, despite the tough economic climate, employment has increased by nearly 1.7 million since 2010¹ and since 2010 the number of children aged under 16 in workless households has fallen by 290,000.² Poor children are doing better than ever at school, with the proportion of children on free school meals getting five good GCSEs including English and maths increasing from 31% in 2010 to 38% in 2013.³
5. However, there is more that we need to do. For example, the risk of children in working households being in poverty has changed little over the past decade⁴ and poor children still do worse at school than their peers.⁵

¹ ONS (2014d): Total employment 30.5 million in Feb-Apr 2014 compared with 28.8 million in Feb-Apr 2010

² ONS (2014e)

³ DfE (2014a)

⁴ DWP (2013b)

⁵ DfE (2014a)

Tackling the root causes of poverty

6. This Strategy sets out what action we will take in 2014-2017 to tackle child poverty, building on our 2011 Strategy. We firmly believe the way to end poverty is to tackle the root causes of child poverty now and across generations so we can transform lives. We are grateful for the responses to the consultation on our draft Strategy and have considered these in finalising the document. The Government's response to points made in the consultation is in Annex E.

Work

7. The evidence is clear that the root causes of families being in poverty are worklessness or low earnings (either not working enough hours or not being paid enough).⁶ Children in workless families are three times as likely to be in relative poverty than families where at least one parent works.⁷ Of the 1.5 million children in poor working families in 2011/12 only 100,000 were in families where both parents were in full time work.⁸
8. In 2014-17 we will **support families into work and increase earnings** by:
- Creating jobs – over 2 million private sector jobs have been created since 2010.⁹ We will continue to help businesses to grow, for example, by enabling small and medium size companies to access credit, investing in infrastructure and reducing National Insurance contributions for some businesses.
 - Supporting families into work – help for those out of work through the Work Programme, Help to Work scheme and flexible support through Jobcentre Plus, supporting families with multiple problems through the Troubled Families programme and increasing work expectations to ensure those who can work, do.
 - Making work pay – having clearer work incentives through introducing Universal Credit, which will lift up to 300,000 children out of poverty,¹⁰ reforming the welfare system, increasing the subsidy for childcare and providing free school meals to all infant school children.
 - Tackling low pay – 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 that pay more – improving qualifications, reviewing zero-hours contracts and providing additional support to move into better jobs.
9. We will tackle the barriers to work some families face, for example, children in larger families are almost two-thirds more likely to be in poverty than children in smaller families.¹¹
10. The evidence is clear that there are key family characteristics which make it harder for some poor families to work their way out of poverty. The five key factors are: long-term worklessness, having low qualifications, raising children on your own, having three or more children to care for, and experiencing ill health.¹² We will tackle these through:

⁶ HM Government (2014)

⁷ DWP (2013b)

⁸ Calculation from DWP's 2011/12 HBAI publication

⁹ ONS (2014d): Private sector employment 25.2 million in March 2014 compared with 23.1 million in March 2010

¹⁰ DWP internal analysis, for details see endnote i, page 53

¹¹ DWP (2013b)

¹² HM Government (2014)

- Improving the qualifications of parents through adult Apprenticeships, investing in English and maths and helping parents through the National Careers Service.
- Tailored support for one-parent families to overcome the barriers to work they face. This includes, additional support through Universal Credit so they can keep more of their earnings before their benefits start being withdrawn, bespoke support from our employment services and ensuring they begin getting ready for work when their youngest child turns three.
- Ensuring parents of larger families know how much better off they would be in work or working more hours, encouraging flexible working so that parents of larger families can find and progress in jobs that suit their needs and those of their family and working to raise basic skill levels of parents of larger families.
- Helping poor parents with health conditions to work by providing tailored support as set out in our Disability and Health Employment Strategy, putting in place clearer, more flexible benefit rules, support for employers to employ parents with health conditions, and help for parents who experience mental health issues.

Living standards

11. We will work to support the **living standards of low-income families**. For those families who can work, increasing their income through work is the best way to protect their living standards. But for those families who cannot work we will continue to provide a welfare safety net. In 2011/12, we spent around £20 billion on payments to workless households with children.¹³
12. We will **reduce costs** through:
 - Reducing the typical energy bill by around £50 on average in 2014/15. We are giving some low-income families money off their bills each year through extending the Warm Home Discount to 2015/16. And we are reducing the amount of fuel they need to pay for by making their homes more energy efficient.
 - Reducing water costs by capping the bills of low-income families with three or more children on a water meter and promoting social tariffs that provide cheaper water for low-income families.
 - Providing Healthy Start Vouchers for young children in low-income families, free school meals for all infant school pupils, breakfast clubs in deprived areas, and free fruit and vegetables at school for children aged four to six.
 - Reducing transport costs for low-income families through free home to school transport, limiting rail fare increases, introducing more flexible rail tickets, and keeping the price of petrol down through freezing fuel duty since 2011, saving a typical motorist £680 over this Parliament.
 - Tackling rising housing costs by increasing the supply of new housing – we are investing £11.5 billion, including £4.5 billion in affordable housing, to get Britain building more homes in the four years to 2015, and a further £13 billion, including £3.3 billion in affordable housing, is already committed from 2015 onwards.

¹³ In 2011/12, we spent £45 billion on out of work benefits and income related benefits and tax credits for families with children (around £20 billion was spent on payments to workless households and around £25 billion on payments to working households). For further details on this calculation see endnote ii, page 53.

- Increasing access to affordable credit through investing up to £38 million in expanding credit unions, with the aim of saving low-income consumers up to £1 billion in loan interest (compared to payday loans) and protecting consumers by cracking down on payday lending, including by legislating to impose a cap on the cost of credit.
- Tackling problem debt through working with the Money Advice Service, which co-ordinates and funds debt advice, and safeguarding the transition to Universal Credit by offering support to manage the changes via the Local Support Services Framework.

Education

13. We must continue with our mission to **break the cycle of poor children going on to be poor adults**. This process starts at the beginning of life and poor children are four times as likely to become poor adults as other children.¹⁴ We will only succeed in ending child poverty if we end this cycle. Raising the **educational attainment** of poor children is the key way to do this. We will continue to raise educational attainment through:
- Increasing the number of poor children in high quality pre-school education with 15 hours free childcare for all three and four year olds and for two year olds from low-income families, getting better qualified staff in pre-school settings and having a simpler early years curriculum.
 - Introducing an Early Years Pupil Premium to help ensure three and four 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.¹⁵ We are holding schools to account for how well poor children do, and making sure we have ever better teachers. We will also put in place targeted support for poor children who fall behind, with £500 per child who is behind at age 11 and Summer Schools to prepare poor children for secondary school.
 - Supporting poor children to stay in education post-16 to get the right skills and qualifications and helping them to move into work through “on the job” training, Apprenticeships, Traineeships, and better careers advice.
14. We will also tackle the barriers poor children face to doing well at school. The evidence is clear that there are key family characteristics which make it harder for some poor children to do well at school. The six characteristics are a poor home environment, under-developed “character” skills (e.g. social skills, self-esteem, resilience), Special Educational Needs or disabilities or ill health, a parent being ill, having parents with low qualifications, and low family income.¹⁶ We will tackle these through:
- Helping parents provide the best possible home environment by supporting parenting classes and providing free books to poor families.
 - Supporting schools in the different ways they choose to develop and build character, including getting more cadet forces into state schools.

¹⁴ Research indicates that children who were poor aged 16 in the 1980s were nearly four times as likely to be poor in their early thirties. Blanden, J. and Gibbons, S. (2006)

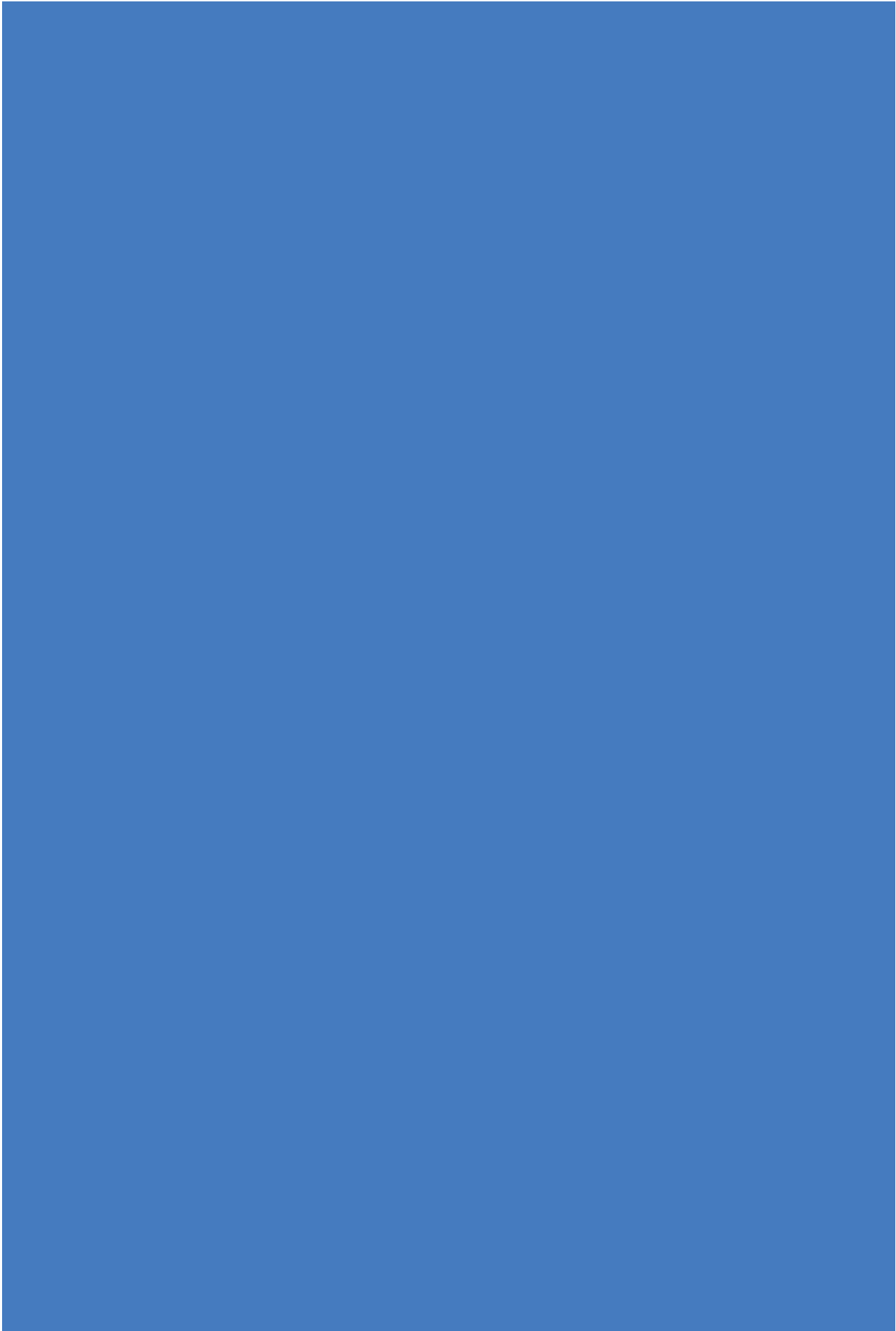
¹⁵ We will invest £2.5 billion a year by 2014/15. Funding will rise from £900 per pupil per year in 2013/14 to £1,300 in 2014/15 for primary pupils and £935 for secondary pupils.

¹⁶ HM Government (2014)

- Helping parents who experience mental health issues (including through the expanded health visitor service), investing in drug and alcohol dependency treatment and supporting young carers.
- Increasing support for children with Special Educational Needs through the reforms introduced by the Children and Families Act 2014 and the new SEN & Disability Code of Practice.
- Reiterating our commitment to improved health outcomes through the Government's *Better health outcomes for children and young people* pledge.

Working with others

15. Central government action cannot, by itself, end child poverty. The Government is committed to working with partners across local areas, in business and across the voluntary and community sector. Only by working together can we transform the lives of the poorest children. In particular:
 - Employers have a key role to play, for example, paying decent wages, supporting flexible working, offering recognised training and qualifications and helping their staff progress at work.
 - Where people live matters. Each local area faces a different challenge in tackling child poverty. Local agencies now have the flexibility they need to tailor their services to meet local needs, for example supporting employment and skills and tailoring education, health and neighbourhood services. Local Enterprise Partnerships (LEPs) in particular can play a vital leadership role for local partners to tackle the drivers of child poverty.
 - The devolved administrations have their own responsibilities on child poverty and are taking action in the areas devolved to them, for example, education.
16. Examples of how we can work together to tackle child poverty are set out as case studies in Chapter 4.



Introduction:

The case for ending child poverty

1. This Government is focused on breaking the cycle of disadvantage – where you start in life should not determine where you end up. Ending child poverty is an essential part of this vision. Children experiencing poverty face multiple disadvantages that often continue throughout their lives and are all too often continue on to the next generation.
2. This Government remains firmly committed to the goal of ending child poverty in the UK by 2020. Child poverty matters. Even though the UK is a rich country, many children live in poverty. Whilst some children thrive despite the poverty they grow up in, for many children growing up in poverty can mean a childhood of insecurity, under-achievement at school and isolation from their peers. Children who grow up in poverty are four times as likely to become poor adults,¹⁷ becoming the parents of the next generation of children living in poverty.
3. Ending child poverty is also important for economic growth. If every child does well at school and finds a job, they would earn more for themselves and boost economic growth. Countries with successful education systems grow faster and education is becoming increasingly important for growth.¹⁸ Analysis by the Sutton Trust has suggested that reducing the attainment gap between children from poorly educated and highly educated families to Finnish levels would add £56 billion to UK GDP by 2050.¹⁹ More qualified people earn more, reflecting their higher productivity.²⁰
4. This Strategy sets out how we will build on our 2011 Strategy to take action between 2014-17 to tackle child poverty:
 - Chapter 1 sets out the action the Government is taking to help families to move into work, to work enough hours and earn enough to escape poverty.
 - Chapter 2 sets out what the Government is doing to improve the living standards of low-income families, focusing on increasing incomes, reducing costs of necessities and preventing problem debt.

¹⁷ Research indicates that children who were poor aged 16 in the 1980s were nearly four times as likely to be poor in their early thirties. Blanden, J. and Gibbons, S. (2006)

¹⁸ Hanushek, E. and Woessman. L. (2012)

¹⁹ The Sutton Trust (2010)

²⁰ Jenkins, A., Greenwood, C. and Vignoles, A. (2007)

- Chapter 3 sets out what the Government is doing to ensure poor children do better at school, the key to breaking intergenerational poverty.
 - Chapter 4 sets out the action that is needed by employers, local agencies and the voluntary and community sector to end child poverty.
5. This Strategy is based on the evidence of what drives child poverty. We have completed an Evidence Review, examining a wide range of research from academia, government departments, and private research institutions (both domestic and international), to identify the key factors that make it harder for some families to get out of poverty and the key factors that make some poor children more likely to become poor adults. To tackle child poverty we need to tackle these factors. The Evidence Review can be found on www.gov.uk.²¹
6. Please note, statistics throughout the Strategy (and its annexes) relating to children in relative and absolute low income, as well as in combined low income and material deprivation are sourced from the latest 2011/12 edition of the Households Below Average Income (HBAI) publication. These statistics were created using mid-year population estimates based on the 2001 census. All following publications of HBAI, from the 2012/13 edition onwards, will use mid-year population estimates based on the 2011 census, with consistent back series also published. As a result, some of the child poverty related statistics presented in this Strategy may see small revisions when published in the forthcoming 2012/13 HBAI report.

The requirements of the Child Poverty Act 2010

7. This is the second national Child Poverty Strategy and sets out the actions that will be taken to comply with our duties set out in section 2 of the Child Poverty Act 2010. In preparing this Strategy we have reviewed and built on the 2011-14 Child Poverty Strategy, and carried out a wide consultation.
8. The 2014-17 Strategy is prepared in accordance with the requirements of section 9 of the 2010 Act. In particular:
- We have taken into account the requirement, under section 9(5) of the Child Poverty Act 2010, to consider the need for action across the wide range of areas listed. The Strategy focuses on those areas identified in the Evidence Review where action has the greatest potential to help us end child poverty.
 - Annexes A and B set out the actions taken in accordance with the 2011-14 UK Strategy, as well as the strategies of the devolved administrations, and gives an account of the effect of those actions on our section 2 duty.
 - Annex D meets our requirements under section 9(6) to consider which groups of children in the United Kingdom are disproportionately affected by socio-economic disadvantage and to consider the likely impact of policies to tackle poverty on children within each of those groups.

²¹ HM Government (2014)

Chapter 1:

Tackling child poverty now

Summary

The evidence is clear that the root causes of families being in poverty are worklessness and low earnings (either not working enough hours or not being paid enough).²² Children in workless families are three times as likely to be in relative poverty compared to families where at least one parent works. In 2014-17, we will support families into work and increase earnings by:

- Creating jobs – over 2 million private sector jobs have been created since 2010²³ and we will continue to help businesses to grow. For example, by enabling small and medium size companies to access credit, investing in infrastructure and reducing National Insurance contributions for some businesses.
- Supporting families into work – help for those out of work through the Work Programme, Help to Work scheme and flexible support through Jobcentre Plus, supporting families with multiple problems through the Troubled Families programme and increasing work expectations to ensure that those who can work, do.
- Making work pay – introducing Universal Credit, reforming the welfare system, an increased subsidy for childcare, and providing free school meals to all infant school children.
- Tackling low pay – raising the minimum wage and the personal tax allowance thus continuing to lift low-income families out of the tax system.
- Helping people move on to better jobs that pay more – improving qualifications, reviewing zero-hour contracts and providing additional support to move into better jobs.

There are key family characteristics which create barriers to some poor families working their way out of poverty. The five key factors are being long-term workless, having low qualifications, raising a child on your own, having three or more children to care for, and experiencing ill health.²⁴ In 2014-17, we will tackle these specific barriers through more intensive support for those who are long-term unemployed, raising poor parents' qualifications, tailoring support for one-parent families, supporting family stability, reducing costs for all families, and helping poor parents with health conditions.

²² HM Government (2014)

²³ ONS (2014d): Private sector employment was 25.2 million in March 2014 compared with 23.1 million in March 2010.

²⁴ HM Government (2014)

1. It is not the same households who are poor year-on-year: approximately half of children who are poor in one year are not poor one year later.²⁵ However there are a significant minority of children that are persistently poor. In 2005-2008, 12% of children were poor for at least three years out of four.²⁶
2. Work is the most sustainable route out of poverty. Children in long-term workless families have a higher risk of experiencing persistent poverty.²⁷ The evidence is clear that the key driver of being stuck in poverty is worklessness and low earnings.
3. The Social Mobility and Child Poverty Commission agrees, “the best way in which child poverty can be ended is through a strategy which has at its heart getting parents into sustainable employment with *decent earnings*”.²⁸ We want families to be able to work themselves out of poverty. Our Child Poverty Strategy 2014-17 is focused on making this possible.

Supporting job creation

4. Job creation is vital for tackling poverty through work. Tackling poverty relies on the UK being able to rebalance the economy and close the gaps between the nations and regions. Private sector growth must take the place of government deficits, and prosperity must be shared across all parts of the UK.
5. Britain’s economic plan is working. The economy is growing, the deficit is falling and jobs are being created – this is the only sustainable way to raise living standards for families. More people are in work now than ever before. Since 2010 the number of children aged under 16 in workless households has fallen by 290,000²⁹ and as the graph below shows, employment is now over 30 million, up nearly 1.7 million since 2010.³⁰

Chart 1: UK employment over the last seven years



Source: Labour Market Statistics, June 2014, ONS

²⁵ Lord, C. and Barnes, M. (2014) Forthcoming research on child poverty transitions based on analysis of Understanding Society data

²⁶ DWP (2010)

²⁷ DWP (2010)

²⁸ Social Mobility and Child Poverty Commission (2013)

²⁹ ONS (2014e)

³⁰ ONS (2014d): Total employment 30.5 million in Feb-Apr 2014 compared with 28.8 million in Feb-Apr 2010

6. In 2014-17, we will continue to create the jobs needed to tackle child poverty. A broad programme of reforms will ensure a sustained recovery to boost UK competitiveness and improve living standards. We have already cut corporation tax to 23%, saving businesses £8 billion by the end of 2013/14 and reduced the net burden of regulation on business by £931 million a year during this Parliament. In 2014-17 we will:
- Continue measures to ease the flow of credit to businesses. The Bank of England's Funding for Lending Scheme will operate until January 2015, and through SME access to finance measures such as the British Business Bank and Start Up Loans will enable these companies to expand and create jobs.
 - Invest in infrastructure through a £375 billion pipeline of public and private investment, enabling developers and supply chains to plan effectively.³¹ These infrastructure projects create jobs directly (e.g. through employment of construction workers) and make it easier for companies to grow.
 - Make it cheaper to employ young people by abolishing employer National Insurance Contributions (NICs) for most employees under 21 from April 2015. This will, for example, make it £1,000 per year cheaper to employ someone on £16,000.
 - Introduce an Employer Allowance for businesses and charities to reduce their employer NICs bill by up to £2,000 every year. This will reduce the costs of employment for up to 1.25 million employers and support small businesses aspiring to grow to hire their first employee or expand their workforce.

Supporting people into work

7. In the past, too many people were written off on benefits. This Government is making progress to ensure that those who can work do. In 2010, 1.8 million (72%) claimants in entrenched worklessness³² were on inactive benefits, so they received no help to return to work – this fell to 1.2 million (50%) in 2013.³³
8. We recognise that for some parents, creating jobs and providing clear incentives to work are not enough. They also need support to find work. In 2014-17 we will continue **to support people into work** by:
- Giving Jobcentre Plus advisers the flexibility to provide support, such as help with travel costs through the Flexible Support Fund.
 - Providing intensive, personalised support for parents who have been out of work for 12 months or more through the Work Programme. To date more than 274,000 people on the Work Programme have found lasting work.³⁴
 - Giving increased support to parents who are still out of work on leaving the Work Programme through Help to Work. This will ensure those parents receiving Jobseekers Allowance are on a training scheme, in a community work placement or in intensive work preparation.

³¹ HM Treasury (2013)

³² Entrenched worklessness is defined as having received one or more of the main working age benefits for at least three out of the last four years (Jobseeker's Allowance (JSA), Employment and Support Allowance Work-Related Activity Group (ESA WRAG), ESA assessment phase, and Income Support (IS) for lone parents)

³³ DWP (2014a)

³⁴ DWP (2014b)

- Increasing expectations to ensure those who can work, do work. For example, since October 2013, new claimants to Jobseeker's Allowance have signed a Claimant Commitment which sets out what is expected from them.
- Supporting families with multiple problems to get back to work through the Troubled Families programme, which we will expand to provide help to more families with an additional investment of £200 million in 2015/16.
- Providing support for first time young mothers through the Family Nurse Partnership programme.

16 year old Christina (name changed) enrolled in the Family Nurse Partnership while four weeks pregnant. She was living with her mother, step-father and three siblings. She had a long history of suffering from alcohol abuse and domestic violence, and had engaged with the social care system in the past.

The family nurse used a non-judgemental approach to guide Christina, encouraging her to discuss her concerns. The therapeutic relationship the nurse built with Christina allowed them to discuss Christina's aspirations for her unborn baby and her maternal attachment. It also improved Christina's understanding of her baby's future development.

Christina's family nurse helped her to explore her dreams and life aspirations. Christina wanted to work and started by taking up voluntary work in a charity shop, supported by a reference from her family nurse. Voluntary work helped to build her self-confidence further and with the support of her family nurse she managed to secure work experience in social care. With a FNP testimonial she applied and was accepted for nursing training. This approach, setting goals and making changes by building on small steps, is key to how Family Nurse Partnerships work.

At 16 years old Christina took control of her life. In a relatively short period of time her self-confidence and self-belief grew, and she realised her ambition to become a nurse. She is now in her second year at university and has re-established contact with her biological father and paternal grandparents. She has never returned to smoking or drug use.

Making work pay

9. Children in workless families are three times as likely to be in relative poverty compared with children in families where at least one adult is in work, and twice as likely as children overall.³⁵ As well as being in work, families need to work enough hours and to be paid enough per hour. Of the 1.5 million children in poor working families in 2011/12, only 100,000 were in families where all parents (including both lone parent and couple families) were in full time work.³⁶
10. To tackle child poverty it is critical that we make sure people are better off in work than out of work, and better off working more hours.

³⁵ DWP (2013b)

³⁶ DWP (2013b)

11. In 2014-17, we will **make sure work pays** by:

- Introducing Universal Credit to bring together housing benefits with out-of-work benefits and tax credits. This will smooth reduction of benefits to ensure people do not lose out by increasing their hours. Parents will be able to increase their hours of work without the worry that their benefit will be interrupted or delayed. The roll-out of Universal Credit will lift up to 300,000 children out of poverty³⁷ as well as increasing incentives to work reducing the number of workless people by up to 300,000.³⁸
- Introducing our ambitious programme of Welfare Reform which ensures that people are better off in work than out of work. For example, the Benefit Cap means that working-age households on out-of-work benefits will no longer receive more in benefits than the average weekly wage.
- Covering 85% of childcare costs for those on Universal Credit (up from 70%). This change will see 500,000 working families getting more out of the money they earn.³⁹
- Providing free school meals to all infant school children from September 2014, even if their parents are in work. These families will now continue to receive free school meals and Working Tax Credits as their earnings increase. Around an additional 100,000 children in relative poverty will now be able to eat a free, nutritious meal. Up to 100,000 poor families with infant school-aged children will see improved work incentives under the current benefits system.⁴⁰

Tackling low pay

12. Too many families in work are in poverty. In-work poverty cannot be tackled by government alone. The previous Government spent £170 billion on tax credits between 2003/04 and 2009/10,⁴¹ but the problem of in-work poverty remained unsolved. The UK currently has one of the highest rates of low pay in the developed world: over 20% of full-time employees earn less than two-thirds of the pay of the median full-time worker compared to 16% in the OECD as a whole.⁴² We need families in poverty to earn more per hour.

13. In 2014-17 we will **tackle low pay**, without impacting on employment levels, by:

- Enforcing the National Minimum Wage. For example, since 1999, HMRC has identified more than £54 million which should have been paid as wages and returned it to around 229,000 workers.⁴³
- Focusing HMRC resources on the highest risk sectors to increase the number of penalties charged and the number of workers identified. For example, in 2013/14, over 22,000 workers (an increase of 17% compared to 2009/10) had arrears in excess of £4.6 million identified and recovered by HMRC.^{44,45}

³⁷ DWP internal analysis, for details see endnote i, page 53

³⁸ DWP (2012)

³⁹ <https://www.gov.uk/government/news/millions-of-parents-to-get-help-with-childcare-costs>

⁴⁰ DWP (2013c)

⁴¹ DWP (2013a)

⁴² OECD (2013). Data is unavailable for France, the Netherlands, Norway and Sweden

⁴³ HMRC (2013)

⁴⁴ BIS (2010)

⁴⁵ <https://www.gov.uk/government/news/hmrc-secures-record-46m-minimum-wage-arrears-for-underpaid-workers>

- Introducing a series of tougher measures to crack down on employers that break National Minimum Wage (NMW) law. Rogue employers now face an increased maximum penalty of up to £20,000 – four times higher than before. Employers failing in their duty to pay what their workers are due will also be considered for naming and shaming.
- Increasing the National Minimum Wage for adults by 3% to £6.50 per hour from October 2014. This will mean that full-time workers will receive an additional £355 a year – the biggest percentage increase since 2008.⁴⁶
- Increasing the personal tax allowance to £10,000 from April 2014 and further to £10,500 from April 2015 to enable people on low and middle incomes to keep even more of what they earn. This will mean that since 2010, over 3.2 million people will have been lifted out of the income tax system.⁴⁷

Helping people get better jobs

14. To help families both get out of poverty and stay out of poverty, progressing in work, developing skills and moving into better paying jobs is important. In 2014-17 we will **help people move on to better jobs that pay more** by:

- Improving parental qualifications as outlined below (see paragraph 16).
- Reviewing zero-hours contracts to ensure that the flexibility they offer is not being abused, for example, by employers requiring employees to work exclusively for them, but not guaranteeing hours.
- Trialling a range of different approaches to encourage low-earning claimants in work to sustain their employment, increase their earnings and improve their financial independence. These trials will be delivered within Universal Credit and other existing benefits (including Tax Credits) and will enable us to build a clear evidence base of what works to provide the most effective support. Delivery of large-scale randomised controlled trials will ensure that we can explore the impacts of this support on different groups, for example, working parents.

Removing specific barriers to work

15. We have reviewed the literature (published in our Evidence Review⁴⁸) to identify the key family characteristics which make it harder for some poor families to work their way out of poverty. The five key factors are long-term worklessness (covered in paragraph 7), having low qualifications, raising a child on your own, having three or more children to care for and experiencing ill health. It is vital that we support families to overcome these barriers. In 2014-17 we will take further action to remove these barriers to work.

Low parental qualifications

16. Qualifications matter:

- Children in families with **no** qualifications are twice as likely to be in poverty as children overall (35% compared to 17%).⁴⁹

⁴⁶ <https://www.gov.uk/government/news/one-million-set-to-benefit-from-national-minimum-wage-rise-to-650>

⁴⁷ HM Treasury (2014)

⁴⁸ HM Government (2014)

⁴⁹ DWP (2013b)

- Children in families with **low** qualifications are one and a half times as likely to be in poverty as children overall (26% compared to 17%).⁵⁰
 - People are around two-thirds more likely to be in work if they have five good GCSEs than if they have no qualifications (7 in 10 compared to 4 in 10).⁵¹
17. The type of qualification also matters for raising earnings. Academic qualifications lead to higher wages, as do some types of vocational qualification (e.g. Apprenticeships) as this enables parents to work and earn more.
18. Our reform of the school system will ensure that the parents of tomorrow will have better qualifications. However, we need to continue to **improve the qualifications of the parents** of today. In 2014-17 we will:
- Improve quality and protect spending on adult Apprenticeships which combine practical training in a job with study. We invested £715 million in 2012/13 and £764 million in 2013/14.
 - Improve basic literacy and numeracy by providing free English and maths courses for those who have skills below GCSE standard. These skills are the key to better jobs.
 - Fund Traineeships to help young adults get the skills and experience they need to get an Apprenticeship or other sustainable employment.
 - Help parents to make decisions on learning, training and work opportunities supported by qualified careers advisers through the National Careers Service in England.

One-parent families

19. It is harder for one-parent families to move out of poverty as they only have one potential earner in the household and less ability to share childcare responsibilities. Children in one-parent families are over a third more likely to be in poverty than children in couple families⁵² and over a third of families who become one-parent families enter poverty.⁵³ Five years after separation, one-parent family incomes remain on average 10% below pre-separation levels.⁵⁴
20. We remain committed to supporting one-parent families to **overcome the particular barriers they face in getting into work** and out of poverty. In 2014-17 we will:
- Help one-parent families on Universal Credit through work allowances that are much more generous than the current system. This will enable them to keep more of their earnings before their benefits begin to be withdrawn (for example a parent from a one-parent family gets to keep £734 per month before benefits are withdrawn, compared to £536 for couple parents).⁵⁵
 - Provide a wide variety of support from our employment services. For example, Jobcentre Plus advisors give one-to-one advice on the range of support available including training opportunities, childcare, help with job applications and details of part-time or family-friendly work in their area.

⁵⁰ Internal analysis of HBAI data, for details see endnote iii, page 54.

⁵¹ Hasluck, C. (2011)

⁵² DWP (2013b)

⁵³ DWP (2010)

⁵⁴ Jenkins, S. (2008)

⁵⁵ Where no housing costs are paid in a UC award.

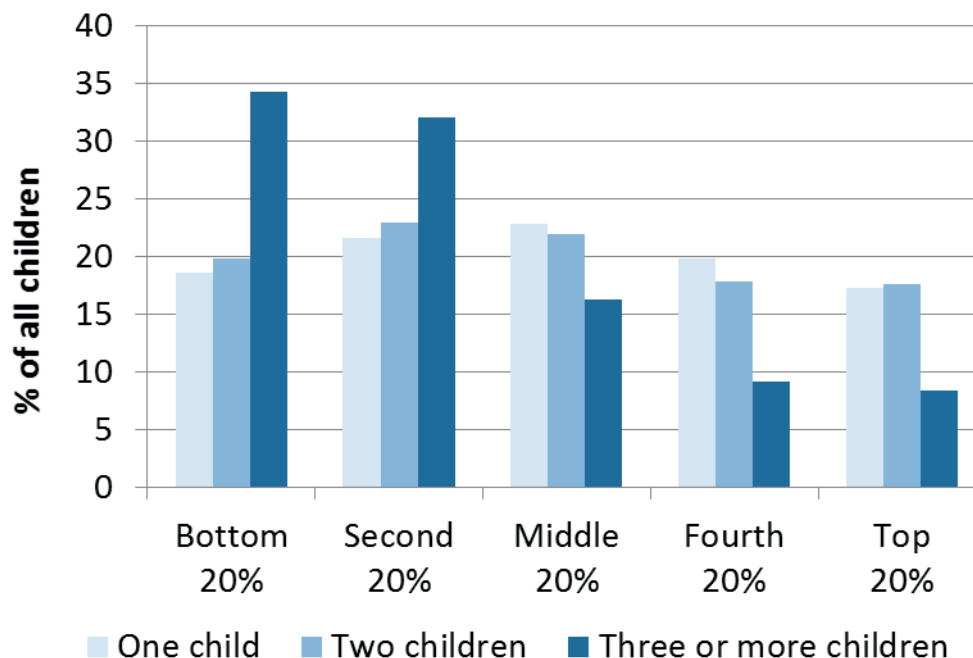
- Help one-parent families be in the best position to find jobs. From April 2014 we have required and supported parents from one-parent families to undertake work related activity. This includes basic skills training where appropriate, from when their youngest child turns three, improving their chances of securing work once their youngest child starts school.

21. We will also continue to **support families who want to stay together**. Between 2011 and 2015, we are providing £30 million for a relationship support contract fund and we are carrying out a Family Stability Review to find out what works best in terms of supporting families who want to stay together.
22. Some £14 million is being invested in Help and Support for Separated Families to support couples and families to work together across the range of issues they face when separating. This will promote collaboration between parents, minimise the impact of separation on children and encourage parents to make family-based child maintenance arrangements.

Larger families (three or more children)

23. Families with more children are at greater risk of being in poverty. More than a third of children in relative poverty live in families with three or more children (800,000).⁵⁶ Children in larger families are almost two-thirds more likely to be in poverty than children in smaller families.⁵⁷ Chart 2 shows that around a third of children in large families (i.e. three or more children) are in the bottom 20% of the income⁵⁸ distribution, compared with around a fifth of families with fewer children.

Chart 2: Distribution of income for children, by size of family



Source: DWP, Households Below Average Income (2011/12)

⁵⁶ DWP (2013b). The published percentage figure has been used to calculate the 800,000 total.

⁵⁷ DWP (2013b)

⁵⁸ Net equivalised (adjusted for household composition) disposable household income.

24. Larger families face significant barriers to work such as greater childcare responsibilities. Poor children from larger families are also more likely to have parents with no qualifications than poor children from smaller families.⁵⁹ Both mothers and fathers of larger families are more likely to be workless, work low hours and receive low hourly wages.⁶⁰
25. We recognise larger families need more help. In 2014-17 we will support parents of larger families to **overcome barriers to work** by:
- Simplifying the benefits system and ensuring parents of larger families know how much better off they would be in work or working more hours, removing current concerns around benefit claims being interrupted or delayed when increasing hours.
 - Helping through Jobcentre Plus, the Work Programme and Help to Work to make sure parents of large families have the support they need to identify and remove barriers to work. This will particularly help parents of larger families as they are more likely to have had a longer break from work.
 - Creating more jobs and encouraging flexible working so that parents of larger families can find and progress in jobs that suit their needs and those of their family.
 - Working to raise basic skill levels of parents of larger families, for example by providing free basic literacy and numeracy courses.

Parental ill health

26. Ill health (which includes physical and mental illness and disability) creates significant barriers to work. Children in families with a disabled adult are over a third more likely to be in poverty than children in families with no disabled adult (22% compared to 16%).⁶¹ And 500,000 poor children lived in families where at least one adult had a long-standing limiting disability in 2011/12.⁶²
27. Substance misuse can also create barriers to work. Around 70% of parents in the UK who are problem drug users (and have accessed treatment) are not employed.⁶³ Around 106,000 people receiving drug treatment in 2011/12 (just over 50% of everybody in treatment) were either parents or lived with families.⁶⁴
28. The Government is committed to **enabling disabled parents and those with mental and physical health conditions to get into work, stay in work and to progress in employment** and has recently published a new Disability and Health Employment Strategy. As well as support through mainstream programmes, in 2014-17 we will:
- Introduce **Universal Credit** which has generous work allowances and will not automatically stop when people move in or out of work or have complex 'permitted work' requirements. This flexibility will make it easier for parents with health conditions to increase or reduce their working hours in line with the severity of their condition without delays to payment of benefit support.

⁵⁹ DWP (2013b)

⁶⁰ Iacovou, M. and Berthoud, R. (2006)

⁶¹ DWP (2013b)

⁶² DWP (2013b). The published percentage figure has been used to calculate the 500,000 total.

⁶³ Advisory Council on the Misuse of Drugs (2011). This estimate was drawn from limited sources of information as they only relate to those problem drug users who have identified themselves as parents and accessed treatment and are not uniformly recorded throughout the UK.

⁶⁴ National Treatment Agency for Substance Misuse (2012)

- Support employers to employ people with disabilities and health conditions through **Access to Work** which supported over 30,000 disabled people and people with health conditions to enter or remain in work in 2012/13.
 - Invest in better advice and support for disabled people and employers on the common barriers they face to work through the new **Health and Work Service** (to be introduced by the end of 2014).
29. It is also important that we help poor parents overcome their health problems where that is possible. We will continue to invest heavily in **improving parental physical and mental health**, including by making better access to mental health services and shorter waiting times a priority for NHS England. Reducing child poverty is an indicator in the Public Health Outcomes Framework. This means that local authorities and health services will work together to address preventable health conditions and reduce health inequalities. We have made **£5.46 billion** available to local authorities for their public health responsibilities for 2013/14 and 2014/15.
30. For children in families with substance misuse issues it is essential we tackle the misuse in order to get them out of poverty. We are **tackling substance misuse** through treatment aimed at getting people free from drug and alcohol dependency. In 2014-17 we will:
- Relax the work search and work availability conditions under Universal Credit for six months from the start of their treatment date, to give people the time and space to engage with treatment effectively.⁶⁵
 - Continue pilots running from April 2013 to test how the Work Programme can deliver sustained job outcomes for people who engage in treatment for drug and alcohol dependency.

Work is the most effective route out of poverty. Our vision is that families can work themselves out of poverty. We will achieve this in 2014-17 by:

- Creating jobs
- Supporting parents into work
- Making work pay
- Tackling low pay
- Helping people get better jobs
- Removing the specific barriers that some parents face to work

⁶⁵ This tailored conditionality is available to claimants once in any 12 month period.

Chapter 2:

Supporting families' living standards

Summary

We will continue to support the living standards of low-income families. For those families who can work, increasing their income through work is the best way to improve their living standards. But for those families who can't work we will continue to provide a welfare safety net.

In 2014-17 we will also tackle costs through:

- Reducing the typical energy bill by around £50 on average in 2014/15. We are also giving some low-income families money off their bills each year through extending the Warm Home Discount to 2015/16, and are reducing the cost of heating by making their homes more energy efficient.
- Reducing water costs by capping the bills of low-income families with three or more children on a water meter and promoting social tariffs that provide cheaper water for low-income families.
- Providing Healthy Start Vouchers for young children in low-income families, free school meals for all infant school pupils, breakfast clubs in deprived areas, and free fruit and vegetables at school for children aged four to six.
- Reducing transport costs for low-income families through free home to school transport, limiting the rail industry's ability to increase regulated fares and keeping the price of petrol down through freezing fuel duty since 2011, saving a typical motorist £680 over this Parliament.
- Tackling rising housing costs by increasing the supply of new housing. We are investing £11.5 billion, including £4.5 billion in affordable housing, to get Britain building more homes in the four years to 2015, and a further £13 billion, including £3.3 billion in affordable housing, is already committed from 2015 onwards.
- Increasing access to affordable credit through investing up to £38 million in expanding credit unions, with the aim of saving low-income consumers up to £1 billion in loan interest (compared to payday loans) and protecting consumers by cracking down on payday lending, including by legislating to impose a cap on the cost of credit.

- Tackling problem debt by working with the Money Advice Service, which co-ordinates and funds debt advice, and safeguarding the transition to Universal Credit by offering support to manage the changes via the Local Support Services Framework.

Raising incomes

1. For those families who can work, increasing their incomes through work is the best way to protect their living standards. Chapter 1 sets out the wide ranging reform programme we have in place to do this.
2. But for those families who cannot work we will continue to provide support through our welfare safety net. We will always support disabled people who are unable to work and those who we do not expect to take steps to return to work. For example, we have increased allowances for the most severely disabled adults and children under Universal Credit and those who are receiving certain disability benefits are exempt from the Benefit Cap (which caps benefits to the average wage). In 2011/12, we spent around £20 billion on payments to workless households with children.⁶⁶

Supporting living standards

3. Inflation is coming down. In May 2014 inflation was at 1.5%, below the Bank of England target rate of 2% and less than a third of its peak rate of 5.2% in September 2011.⁶⁷ The Office for Budget Responsibility forecast inflation to settle around the 2% target in the medium term⁶⁸ and food prices are still lower in real terms than they were two decades ago.⁶⁹
4. In 2014-17 we will continue with focused action to **reduce the costs of living for low-income families**. Across all areas we are promoting competition to allow businesses to grow and enter new markets, to push prices down and quality up. For example, we have increased funding for the Competition and Markets Authority by £12 million for 2014/15 and £16 million for 2015/16. This ensures that it can step up action to promote competition and fight anti-competitive practices, which will ultimately make markets fairer for businesses and households.

Fuel

5. Fuel prices matter for low-income families and make up more of their household spending. For example, in 2011 the poorest 10% of households spent 16% of their budget on fuel, compared with 8% across all households.⁷⁰ Evidence shows that poor households may spend less on heating when prices rise, leading to children living in cold homes.⁷¹ In 2014-17, we are already committed to:
 - Changes announced at Autumn Statement 2013 which are expected to reduce the typical energy bill in 2014/15 by around £50 on average.

⁶⁶ In 2011/12, we spent £45 billion on out of work benefits, income related benefits and tax credits for families with children (around £20 billion was spent on payments to workless households and around £25 billion on payments to working households). For further details on this calculation see endnote ii, pg 53.

⁶⁷ ONS (2014a)

⁶⁸ OBR (2014)

⁶⁹ ONS (2013a)

⁷⁰ Advani, A. et. al (2013)

⁷¹ Levell, P. and Oldfield, Z. (2011)

- Achieving further savings on fuel bills from 2016 onwards through the zero carbon homes commitment – we are already saving new households over £200 per year compared to a home built in 2009.
 - Giving eligible low-income families money off their bills through extending the Warm Home Discount to 2015/16.⁷²
 - Helping low-income families insulate their homes to make them more energy-efficient to reduce their bills and help ensure that children live in warm homes.⁷³
 - Reforming energy markets to increase competition and making it easier for families to shop around to get better deals.
6. In addition, we are overhauling the framework for tackling fuel poverty. We have adopted a **new, more meaningful definition of fuel poverty** which will help us focus policies towards those with a low-income and higher than average energy bills, 40% of whom are families with children.⁷⁴ We have made changes to the law which will see us set a new target to tackle fuel poverty and we will outline further action including help for poor families, through our Fuel Poverty Strategy later this year.

Water

7. Water costs also matter for low-income families. Water prices are regulated by Ofwat.⁷⁵ The majority of water companies have announced their intention to continue to hold down bills to keep them in line with or lower than inflation from 2015-2020. The Government will continue to encourage water companies to **reduce water prices** for low-income families by:
- Enabling water companies to reduce the bills of low-income customers by creating Social Tariffs.
 - Capping bills under the Water Sure scheme, so that low income families on a water meter who have three or more children are not hit with bills they cannot afford.

Food

8. The OECD expects that global food prices will remain higher over the next ten years than in the pre-2007 decade. The changes in global prices have affected the poorest the most. For example, in 2011 the poorest 10% of households spent 30.3% of their budget on food at home compared to 18.3% across all households.⁷⁶ However, retail food prices are still lower in real terms than they were two decades ago.⁷⁷
9. The Government will take action from 2014-17 to **help with the costs of food for low-income families** by:
- Providing Healthy Start Vouchers to help low-income families with young children obtain essential foods and vitamins.
 - Extending free school meals to all infant school pupils from September 2014, supporting poor children's academic attainment, promoting healthy eating habits at

⁷² In 2014/15 the discount is £140.

⁷³ This is provided to those eligible through the Energy Company Obligation.

⁷⁴ DECC (2014)

⁷⁵ Ofwat (2009)

⁷⁶ Levell, P. and Oldfield, Z. (2011)

⁷⁷ ONS (2013a)

a young age and saving families money. Around an additional 100,000 children in relative poverty will now be able to eat a free, nutritious meal.⁷⁸

- Investing just over £1 million from 2013 to 2015 to help schools in the poorest areas establish breakfast clubs.
- Giving school children aged four to six access to free fruit and vegetables through the School Fruit and Vegetable Scheme.

Transport

10. High transport costs can make it harder for people to get to work and to stay in work. We need to make sure that transport costs are not a barrier to work. This is why we will **help parents get to work and children to school** by:

- Providing free home to school transport to those who live beyond the statutory walking distances or have Special Educational Needs and disabilities. In addition, local authorities are also funded (£148.3 million 2011/12-2014/15) to provide additional transport support to low-income families to widen their choice of schools.
- Cutting fuel duty in 2011 and keeping it frozen ever since. This is the longest freeze for 20 years, saving a typical motorist £680 over this Parliament.
- Reducing average regulated rail fare rises to RPI plus 0% for 2014 to protect families from large price rises, with an ambition to cap fare rises at the level of inflation as soon as conditions allow.
- Trialling more flexible rail tickets during 2015 that could offer a better deal to those who work flexibly or part-time, including parents.
- Providing a Jobcentre Plus Travel Discount Card for eligible claimants of certain benefits to help parents with the costs of bus or train fares when seeking work or undertaking training.

Housing

11. For the last two decades or more we have been building too few homes. Following the financial crisis, activity in the mortgage and housing markets shrank considerably, reducing both the demand for and supply of new homes.

12. This Government's Housing Strategy is addressing the country's dysfunctional housing markets. Our Strategy is designed to unlock both supply and demand, boost both sectors (freehold and rented) and to make the best use of redundant land and empty properties. This approach reinforces our commitment to supporting vulnerable people. We will **increase the number of homes for sale and for rent** by:

- Investing £11.5 billion, including £4.5 billion in affordable housing, to get Britain building more homes in the four years to 2015, and a further £13 billion, including £3.3 billion in affordable housing, is already committed from 2015 onwards. In terms of affordable housing alone, we expect the private sector to invest an additional £35 billion between 2011 and 2018, to help us deliver 335,000 affordable homes.
- Increasing local authority Housing Revenue Account borrowing limits by £150 million in both 2015/16 and 2016/17. This additional borrowing will be allocated on a competitive basis and for successful authorities will support around 10,000 additional affordable homes across England.

⁷⁸ DWP (2013c)

- Funding an additional £1 billion of infrastructure over the six years to 2020 to enable large housing developments to be built. For example, by providing money for new schools or roads, to support the delivery of around 250,000 homes.
 - Providing ten-year certainty on rents to social landlords to give them the necessary confidence to invest in building new homes.
 - Encouraging better use of the social rented stock. There are 1.5 million spare bedrooms in social homes occupied by working-age households in Great Britain.⁷⁹
 - Social landlords are now able to match the length of a tenancy to the household's needs, rather than having to give a lifetime tenancy regardless of how the household's needs change in future. This is helping councils and social landlords make better use of the existing social rented stock.
 - The removal of the spare room subsidy, which provides an incentive to tenants with spare rooms to move to smaller homes, while the introduction of HomeSwap Direct is helping tenants with too many and too few rooms to help each other.
13. Our consultation reinforced that the cost of housing is not the only thing that matters. The **quality and stability of housing** is also important to support the living standards and life chances of poor children.⁸⁰
- Nearly one in ten households with children currently live in damp homes.⁸¹ We continue to improve the quality of social homes and are spending over £2 billion through the Decent Homes Programme. This will help to ensure that by April 2016 the backlog of non-decent council homes in each local authority is no more than 10% of its total stock. We are also helping private tenants to know their rights regarding housing quality by publishing a "How to Rent" checklist.
 - Through the Localism Act 2011 we have made sure that the support which social housing provides is focused on those who need it the most for as long as they need it. Social landlords must offer tenancies which are compatible with the needs of individual households and provide tenants with the support necessary to maintain their tenancy and prevent unnecessary evictions.
 - We also want to help hard working families secure longer tenancies in the private sector, if this is what they want. We will publish a government-backed model tenancy agreement before the end of 2014.

Improving access to affordable credit

14. 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. They often find it harder to borrow from banks or get a credit card. This can mean they turn to payday loans or even illegal loan sharks. Recent evidence shows that the payday lending market has doubled in size between 2008/09 and 2011/12 and is causing real harm.⁸² We will take action from 2014-17 by:
- **Protecting consumers:** the Financial Conduct Authority⁸³ (FCA) has introduced tough new rules for regulating payday lending. This requires lenders to carry out

⁷⁹ DWP (2013e)

⁸⁰ Barnes, M., Butt, S. and Tomaszewski, W. (2008)

⁸¹ Barnes, M., Butt, S. and Tomaszewski, W. (2008)

⁸² Office of Fair Trading (2013)

⁸³ Responsibility for the regulation of consumer credit, including payday lending transferred to the FCA from 1 April 2014.

robust affordability checks, limits the number of times a payday loan can be rolled over to two, places tough restrictions on lenders' use of continuous payment authorities (CPAs), and requires all payday lending adverts to include a risk warning and information about where to get free debt advice. The FCA is also undertaking a thematic review into payday lenders' debt collection practices to ensure that firms treat customers who are struggling with repayments fairly. In order to protect consumers from unfair costs, the Government has legislated to require the FCA to introduce a cap on the cost of payday loans which will be implemented no later than 2 January 2015.

- **Increasing access to affordable credit** through investing up to £38 million in expanding credit unions, with the aim of saving low-income consumers up to £1 billion in loan interest (compared to payday loans). Credit unions are owned and run by members. They offer a cheaper way to borrow money – as all profits are invested back into the credit union – and represent a local and more supportive alternative to high street banking. As credit union current accounts are beneficial for some Universal Credit claimants, we are working with the industry to help increase the number offering this service.

Tackling problem debt

15. Low-income families are more likely to be in debt. 24% of children living in poor households that are in arrears with at least one bill, compared to 14% of all children.⁸⁴ We will take action to **help low-income families to manage their money and prevent serious debt problems** from 2014-17 by:

- Helping people manage their debts and improve their financial capability through the Money Advice Service (MAS), which was established by the Government and is funded by the financial services industry. The MAS co-ordinates and funds debt advice and offers free and impartial information and advice on money matters to help parents better manage their money and plan ahead.
- Providing additional budgeting help for those families who need it most during the move to Universal Credit via the Local Support Services Framework. Support includes money advice to help families pay their bills on time and alternative payment arrangements such as paying their rent directly to their landlord, more frequent payments (for example fortnightly rather than monthly) or splitting payments between partners.

16. We will help the parents of tomorrow avoid problem debt by strengthening the skills needed for personal finance in the mathematics national curriculum and by including, for the first time, financial literacy as part of the citizenship curriculum.

We will continue to work to improve the living standards of low-income families by:

- Raising incomes by getting parents into work, working enough hours and earning enough: supporting those families who can't work through our welfare safety net;
- Reducing costs for low-income families for essentials like fuel, water, food, transport and housing; and,
- Improving access to affordable credit and tackling problem debt.

⁸⁴ DWP (2013b)

Chapter 3:

Preventing poor children from becoming poor adults

Summary

We must continue with our mission to break the cycle of poor children going on to be poor adults. Poor children are four times as likely to become poor adults as other children.⁸⁵ We will only succeed in ending child poverty if we break this cycle. This means supporting poor children and families and raising their educational attainment. We know that children's life chances are shaped in the first years of life and that good schools can make a real difference to children's achievement. We will continue to raise the educational attainment of poor children through:

- Increasing the number of poor children getting high quality pre-school education with 15 hours free childcare for all three and four year olds and for two year olds from low-income families, getting better-qualified staff in pre-school settings and having a simpler early years curriculum.
- Introducing an Early Years Pupil Premium to help ensure three and four year olds from the most disadvantaged backgrounds get the best start in life.
- Ensuring poor children do better at school through giving disadvantaged pupils an additional £14,000 during their school career⁸⁶ – a £2.5 billion a year commitment through the Pupil Premium,⁸⁷ holding schools to account for how well poor children do, and making sure we have ever better teachers.
- Putting in place targeted support for poor children who fall behind, with £500 per child who is behind at age 11 and Summer Schools to prepare poor children for secondary school.
- Supporting poor children to stay in education post-16 so they can get the right skills and qualifications and helping them to move into work through “on-the-job” training, Apprenticeships and better careers advice.

⁸⁵ Research indicates that children who were poor aged 16 in the 1980s were nearly four times as likely to be poor in their early thirties. Blanden, J. and Gibbons, S. (2006)

⁸⁶ This figure is calculated assuming the pupil remains entitled to the premium for their entire school career and the premium rates do not change. In total, the pupil would benefit from £13,775 additional premium funding.

⁸⁷ We are investing £2.5 billion a year. Funding rose from £900 per pupil per year in 2013/14 to £1,300 in 2014/15 for primary pupils and to £935 for secondary pupils.

We will also continue to tackle the barriers some poor children face to doing well at school. There are six key family characteristics which make it harder for some poor children to do well at school: a poor home environment, under-developed “character” skills (e.g. social skills, self-esteem, resilience), a parent being ill, experiencing ill health themselves, having parents with low qualifications and low family income.⁸⁸ We will tackle these through:

- Helping parents provide the best possible home environment through supporting parenting classes and providing free books to poor families.
- Supporting schools in the different ways they choose to develop and build character, including by removing requirements which limit the length of the school day.
- Helping parents experiencing physical and mental health issues (including through the expanded health visitor service), investing in drug and alcohol dependency treatment, and supporting young carers.
- Increasing support for children with Special Educational Needs as set out in the Children and Families Act 2014 and our new SEN and Disability Code of Practice.
- Improving our commitment to health outcomes through the Government’s *Better health outcomes for children and young people pledge*.

1. Poor children are four times as likely to become poor adults as other children.⁸⁹ The association between the incomes of fathers and sons in the United Kingdom is among the highest in the OECD and over twice as big as in Norway, Denmark, Finland, Australia or Canada.⁹⁰ To end child poverty we need to break this cycle.
2. The differences between poor children and other children start at the beginning of life.⁹¹ Education is one of the main routes out of poverty and how well poor children do at school has the biggest impact on their future incomes.⁹² Pupils who achieve five A*-C grades at GCSE earn around 10% more than those who do not and are more likely to be employed.⁹³ Gaps between poor children and other children’s attainment are important as they are key in determining how well they will do in the future compared to their peers.
3. Poor children are doing better at school than ever before. There has been a 7 percentage point increase from 2010 to 2013 in the proportion of children on free school meals⁹⁴ getting five A*-Cs (including English and maths) at GCSE (from 31% in 2010 to 38% in 2013). The gap in educational attainment between free school meal pupils and their peers has also narrowed in recent years – from 28% in 2010 to 27% in 2013 – although more needs to be done.⁹⁵

⁸⁸ HM Government (2014)

⁸⁹ Research indicates that children who were poor aged 16 in the 1980s were nearly four times as likely to be poor in their early thirties. Blanden, J. and Gibbons, S. (2006)

⁹⁰ OECD (2010)

⁹¹ Marmot, M. (2010)

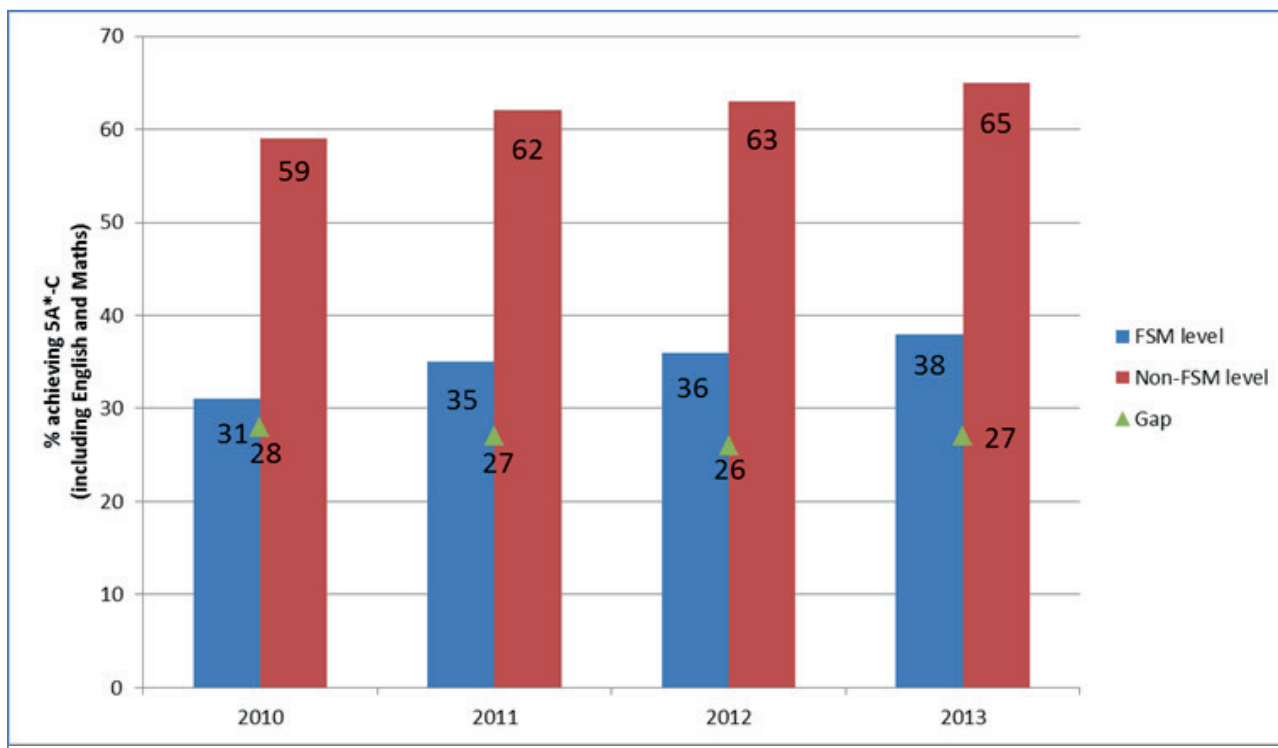
⁹² Blanden, J., Gregg, P. and Macmillan, L. (2007)

⁹³ Jenkins, A., Greenwood, C. and Vignoles, A. (2007)

⁹⁴ The measure we use for poor children’s educational attainment is the attainment of children on free school meals.

⁹⁵ DfE (2014a)

Chart 3: Attainment levels at GCSE for children on free school meals and those not on free school meals



Source: GCSE and equivalent attainment by pupil characteristics, 2012/13, DfE

4. Our focus on education is supported by the Social Mobility and Child Poverty Commission. Its 2013 report said “Action to improve the educational and labour market outcomes that children and young people from disadvantaged backgrounds are able to achieve will enhance their chances of avoiding poverty in their adult life”.⁹⁶
5. The education a child gets before school matters as does the school they go on to attend. The quality of schools and teachers can make a real difference.⁹⁷ To end child poverty we want all poor children to get the best education.

Before children start school

6. Children’s development in their early years provides the foundation for later life and learning.⁹⁸ Poorer families can face the greatest challenges. This is because of the direct impact on living standards and the stresses that poverty puts on family life such as effects on mental health including depression.⁹⁹ Early learning can help all children’s development but poor children benefit most from attending a high quality pre-school.¹⁰⁰
7. The DfE ‘school readiness’ indicator for children aged five showed an improvement between 2008 and 2012.¹⁰¹ However poor children continue to lag behind their peers – in 2013 only around a third were ‘school ready’ compared to over half of other children.¹⁰² Our goal is to ensure that all poor children arrive at school ready to learn

⁹⁶ Social Mobility and Child Poverty Commission (2013)

⁹⁷ Sylva, K. et. al (2012); Chetty, R., Friedman, F. and Rockoff, J. (2011)

⁹⁸ Howard-Jones, P. and Washbrook, E. (2011)

⁹⁹ Donkin, A. et. al (2014)

¹⁰⁰ Sylva, K. et. al (2012)

¹⁰¹ DfE (2012)

¹⁰² DfE (2013b) The school readiness indicator results for 2013 are not comparable with previous years due to a change in the method of assessment.

through **increasing free pre-school places**, getting **better teachers** and **simplifying the curriculum**.

8. In 2014-17 we will increase the number of poor children in high-quality pre-school by:
- Continuing to provide 15 hours of funded early years education to all three and four year olds.
 - Investing an additional £760 million to extend the offer of 15 hours of funded early years education to more two year olds from families on low-income. Around 260,000 children per year (40% of all two year olds) will be eligible to benefit from September 2014.¹⁰³
 - Introducing an Early Years Pupil Premium, worth £50 million in 2015-16, to help ensure three and four year olds from the most disadvantaged backgrounds get the best start in life.
 - Increasing the number of good pre-school and nursery teachers by introducing new qualifications to raise the quality and status of the profession and starting to send top graduates to teach children from age three in the most disadvantaged areas.
 - Simplifying the pre-school curriculum through delivering the simpler and clearer Early Years Framework introduced in September 2012. This has reduced bureaucracy – ensuring focus is maintained on the most essential areas for children’s development and future learning.
 - Supporting people who work with children under five years old by increasing the evidence base of what works through both the Early Intervention Foundation and the Education Endowment Foundation¹⁰⁴ so schools know what interventions are effective early in a child’s development.

Schools

9. We know that it is possible for poor children to do much better at school. For example, in London 51% of pupils on free school meals got five good GCSEs (including English and maths), compared to 35% in the rest of England.¹⁰⁵ That is why we are giving schools more freedom and funding, holding them to account for the attainment of poor children, ensuring poor children have better-quality teachers and targeting support on children who fall behind.
10. In 2014-17 we will give **schools more funding** and **hold them to account** to help poor children do better by:
- Investing £2.5 billion a year through increasing Pupil Premium¹⁰⁶ funding to raise educational attainment for poor children.¹⁰⁷ Schools are free to decide how to spend this money, since they are best placed to know what works for individual pupils.

¹⁰³ <https://www.gov.uk/government/news/755-million-to-double-free-childcare-offer-for-2-year-olds>

¹⁰⁴ The Early Intervention Foundation is not only about the Early Years, but also about intervening early in the onset of a problem from the ages of 0-19. This enables young people to make a successful transition into adulthood with a greater chance of avoiding poverty. Further details can be found on the foundation’s website: www.eif.org.uk

¹⁰⁵ DfE (2014a) Internal DfE analysis based on 2012/13 GCSE attainment data.

¹⁰⁶ We are investing £2.5 billion a year. Funding rose from £900 per pupil per year in 2013/14 to £1,300 in 2014/15 for primary pupils and to £935 for secondary pupils. Looked after children attract £1,900 in 2014/15. Adopted children are also eligible.

¹⁰⁷ Defined as those children who have been eligible for free school meals any time in the last six years and those children who have been looked after for 6 months or more.

- Holding schools to account for the use of this money.¹⁰⁸ Ofsted will not normally rate schools as Outstanding unless they can show how they have raised attainment and narrowed the gaps for their poor children.
- Improving the evidence base of what works through the Education Endowment Foundation so schools know the effective interventions for helping poor children to do better at school.
- Reforming the secondary accountability framework, including introducing a new measure based on how much progress pupils make across eight different subjects. Rather than focus on pupils at grade boundaries, this will help schools target progress for all their pupils, including those from disadvantaged backgrounds.

Pakeman is a school in Islington in an area of high social deprivation. In 2012/13, 85% of the pupils attracted the Pupil Premium and the school received £145,000 in pupil premium funding.

Pakeman took a multi-strand approach together with rigorous tracking and assessment procedures so any gaps in pupils' learning could be quickly identified and addressed.

- **Building belief:** a culture in which staff believe that ALL children can succeed – no excuses for underperformance and no “artificial ceilings”.
- **Data and identification of pupils:** all staff are involved in analysing data and identifying pupils underachieving at any level. These children, and not just lower attainers, are targeted.
- **Improving day-to-day teaching:** established a Team Leader Model to address any within-school variances and to increase the percentage of outstanding teaching across the school.
- **Increasing learning time:** maximising children's learning time by improving attendance and punctuality, providing earlier intervention (KS1 and EYFS) and extending learning out of school hours.
- **Improving the effectiveness of interventions:** using the Sutton Trust Teaching and Learning Toolkit for guidance on the cost and effectiveness of a range of interventions.
- **Increasing parental engagement:** setting up targeted termly individual meetings for parents of underachieving children.

By 2013 Pakeman had significantly narrowed the gap between disadvantaged pupils and their peers.

The school intends to use future Pupil Premium money to improve feedback to pupils by providing termly individual mentoring sessions for pupils, extending one-to-one tuition to provide earlier intervention and focusing on digital literacy.

¹⁰⁸ Through a combination of three measures: the attainment of their disadvantaged pupils; their progress; and the gap in attainment between them and their peers.

11. In 2014-17 we will ensure poor children have **better quality teachers** by:¹⁰⁹
- Sending high-quality graduates into challenging schools through Teach First by 2015/16.
 - Allowing schools to recruit teachers at higher levels of pay than before. To attract good teachers, schools are free to use the Pupil Premium. We are incentivising and rewarding high performing teachers by linking pay to performance.
 - Raising the qualification requirements for new entrants to become teachers and raising the existing standards of teaching through rigorous new Teacher's Standards.
12. In 2014-17 we are **targeting support** on children that fall behind by:
- Giving secondary schools a £500 catch-up premium for each child that doesn't make the expected standard at Key Stage 2 in reading and/or maths. Schools can use this money to deliver additional tuition or intensive support during Year 7.
 - Ensuring poor children moving into secondary school start ready to learn by setting up almost 4,000 one- or two-week Summer Schools in the last two years. We will be investing a further £50 million in 2014.¹¹⁰
13. In 2014-17 we are supporting poor children's academic attainment and promoting healthy eating habits by extending free school meals to all infant school pupils from September 2014. Around an additional 100,000 children in relative poverty will now be able to eat a free, nutritious meal.¹¹¹

Transitions from school to work

14. Young people not in work, education or training are at greater risk of becoming poor adults. The number of children staying in school post 16 has been rising since the 1980s.¹¹² But in 2010, children eligible for free school meals in year 11 were almost three times as likely to not be in work or education at age 19.
15. It is vital that we **support poor children to stay on in education or training**. Participating in education or training after 16 can help a young person's prospects for life, for example, people with two or more A-levels earn around 14% more than those without.¹¹³ We have changed the law so that from summer 2015 all young people must stay on in education or training to the age of 18.
16. As well as raising the participation age, from 2014-17 we will provide more support to **poor children to stay in education, training, higher education and work** by:
- Improving careers advice by developing the role of the National Careers Service and, through the new statutory guidance for schools, ensuring that pupils are inspired about the world of work through more contact with employers. This will help them make better decisions about their futures.¹¹⁴

¹⁰⁹ The quality of teaching has a substantial impact on pupils' educational outcomes, and their future labour market outcomes. Chetty, R., Friedman, F. and Rockoff, J. (2011)

¹¹⁰ The programme, funded from the Pupil Premium, has already invested £50 million in 2012/13

¹¹¹ DWP (2013c)

¹¹² DfE (2013a)

¹¹³ Jenkins, A., Greenwood, C. and Vignoles, A. (2007)

¹¹⁴ As set out in the Government's response to Ofsted's thematic review of careers guidance in schools: <https://www.gov.uk/government/publications/careers-inspiration-vision-statement>

- Enabling schools and colleges to be held to account through new destination measures. These show what proportion of a school or college's students progress to sustained participation in further education, higher education, Apprenticeships or employment.
 - Providing financial support to help the most vulnerable young people stay in post 16 education and training.¹¹⁵ We provide bursaries of up to £1,200 to support poor children with the cost of staying in education or training.
 - Supporting poor young people into university by providing a bursary (of up to £1,000) to help with living costs. Universities that charge the highest tuition fees now must offer more financial support and carry out outreach work such as partnering with schools in disadvantaged areas of the country.
 - Providing support to 16 and 17 year olds not in education, employment or training (NEET) through the Youth Contract to help them to re-engage. Jobcentre Plus, in partnership with local authorities, will support those who want help to find Apprenticeships and Traineeships.
 - Piloting a new scheme of support for young benefit claimants. From day one of a claim, training will be mandatory for young people without a GCSE (grade A*-C) or equivalent in English and maths. After six months of a claim, all 18-21 year old Jobseeker's Allowance claimants will be expected to do a work experience placement, a Traineeship or community work placement. This will enable young people to keep learning and be ready for work to reduce their risk of being out of work in the long term.
 - Working closely with disadvantaged teenagers through the DWP Innovation Fund, to help them participate and succeed in education or training and ultimately, employment. Through social investment models, the fund has already supported over 10,700 young people since the pilot started in 2012.
 - Launching a new cross-government Youth Engagement Fund (YEF) from April 2015. Using social impact bonds (SIBs), we will reward innovative new forms of support for disengaged or at risk young people and help up to 18,000 14 to 17 year olds in the UK.
17. As well as staying in education the quality of the qualifications poor young people get matters. In 2014-17 we will **improve the quality of non-academic qualifications** by:
- Removing perverse incentives for providers to offer easy, low-quality courses by moving funding from 'per qualification'. From summer 2014, we will only recognise qualifications that have rigorous assessment, offer breadth and depth, provide good progression opportunities and have a proven track record.
 - Encouraging businesses with up to a thousand employees to take on apprentices by giving them an Apprenticeship Grant of £1,500 for the first ten apprentices aged 16-24 they recruit. We are reforming Apprenticeships to make them more rigorous and responsive to the needs of employers.

¹¹⁵ Those entitled include: young people in care, care leavers, those on income support (or Universal Credit) and disabled young people in receipt of both Employment Support Allowance and Disability Living Allowance (or Personal Independence Payments)

- Making it a condition of funding that all students who fail to achieve a GCSE grade C in English and maths at Key Stage 4 continue to work towards achieving these qualifications as part of their study programme. Since August 2013, all 16-19 year old students have been following a study programme with clear study and/or employment goals that reflect their prior attainment.
- Introducing Traineeships for young people aged 16-23¹¹⁶ and help for young people with learning difficulty assessments, to focus on giving them the skills and vital experience they need to get an apprenticeship or sustainable job.

Removing barriers to attainment

18. The evidence, as set out in our evidence review, is clear – there are key family characteristics which make it harder for some poor children to do well at school. The six key factors are: a poor home environment, under-developed “character” skills (e.g. social skills, self-esteem and resilience), a parent being ill, a child experiencing ill health themselves, having parents with low qualifications and low family income.¹¹⁷ We must tackle these if all poor children are to do well at school.

Improving the home environment¹¹⁸

19. We know that, for both young and school-aged children, parental engagement in their child’s learning is a powerful way to improve attainment. Parents helping their children in learning activities (e.g. teaching songs and nursery rhymes, playing with letters and numbers and visiting the library) has an important influence on attainment at age five.¹¹⁹
20. We want to support parents to provide a **good home environment**. In 2014-17 we will:
- Provide 75,000 free books targeted to poor families through Bookstart. An additional 100,000 two year olds receiving free early years education will receive free books through children’s centres from January 2014.
 - Help parents to parent well through parenting classes. Good classes can improve parental communication with children, encourage good behaviour at school and prevent behavioural problems developing later on.¹²⁰ We are running a new phase of CANparent trials until March 2015, which aim to normalise parenting classes and increase the market demand for them.
21. In addition, we fund family learning programmes through the £210 million per annum Community Learning budget.¹²¹ This contribution helps to fund a broad range of courses delivered in venues such as schools, children’s centres, community centres and libraries that help adults improve their parenting skills.¹²² Courses cover topics such as family literacy, playing with language, family numeracy, parenting skills, citizenship, and healthy eating. Some courses are designed so that parents and children learn together and can be particularly effective by helping to change attitudes to learning.

¹¹⁶ 16-24 from August 2014

¹¹⁷ HM Government (2014)

¹¹⁸ Home environment includes parenting behaviour and opportunities for children to engage in learning activities

¹¹⁹ Sylva, K. et.al (2004)

¹²⁰ Lindsay, G. et. al (2011)

¹²¹ With funding until March 2015 and indicative funding for 2015-16.

¹²² Harding, C. et. al (2014). The Community Learning Learner Survey explores self-reported changes in parental confidence and support for their children’s schoolwork.

Developing character (non-cognitive skills)

22. 'Character' or non-cognitive skills such as social skills, self-esteem, resilience and self-control matter for how well children do at school and their later earnings and employment.¹²³ Gaps in behavioural and social skills between poorer and richer children are apparent at primary school.¹²⁴ One study found that around a fifth of the link between parents' income and children's income can be explained by differences in non-cognitive skills mainly due to the positive impact of non-cognitive skills on educational outcomes.¹²⁵
23. In 2014-17 we will support schools in the different ways they choose to **develop and build character** by:
- Working with the Ministry of Defence and independent schools – and providing funding – to get more cadet forces into state schools.
 - Removing health and safety rules which prevent students going on expeditions or work experience, and
 - Removing requirements which limit the length of the school day and term and so make it less difficult for children from low-income families to access activities such as drama, debating, chess and sport alongside the core academic curriculum.

Parental ill health

24. Children with caring responsibilities for their parents or whose parents have mental health or substance misuse issues are at a greater risk of lower educational attainment and poorer employment outcomes.¹²⁶ Mothers' mental health is strongly linked to children's health and development.¹²⁷ Carers between the ages of 16 and 18 have a much greater chance of being NEET – in 2010 just over four in ten young carers had been NEET for six months or more, compared to just one in ten young people overall.¹²⁸
25. That is why in 2014-17 we will:
- Support parents experiencing mental health issues such as post-natal depression through the creation of local mental health champions and increasing the number of health visitors by an extra 4,200 by 2015 (up from 8,000 in 2010).
 - Reduce the number of children who have parents with substance misuse issues by investing in treatment for drug and alcohol dependency. This includes giving more freedoms and funding to local areas to enable those who know their communities best to decide which services to offer. We will publish the independent evaluation of a payment by results trial, which focused on successful and full recovery.
 - Change the law to help protect young carers from excessive or inappropriate caring responsibilities. For example, we will extend the right to an assessment of their needs for support to all young carers regardless of what sort of care they provide, how often they provide it, and who they care for. We are taking a whole family approach to make it easier for young carers and their families to get the support they

¹²³ Blanden, J., Gregg, P. and Macmillan, L. (2007); Heckman, J., Stixrud, J. and Urzua, S. (2006)

¹²⁴ Blanden, J., Gregg, P. and Macmillan, L. (2007)

¹²⁵ Blanden, J., Gregg, P. and Macmillan, L. (2007)

¹²⁶ Gregg, P., Propper, C. and Washbrook, E. (2007); The Children's Society (2013); Advisory Council on the Misuse of Drugs (2011)

¹²⁷ Gregg, P., Propper, C. and Washbrook, E. (2007)

¹²⁸ The Children's Society (2013)

need. We are also training school nurses as champions for young carers and have provided specialist online training for teachers.

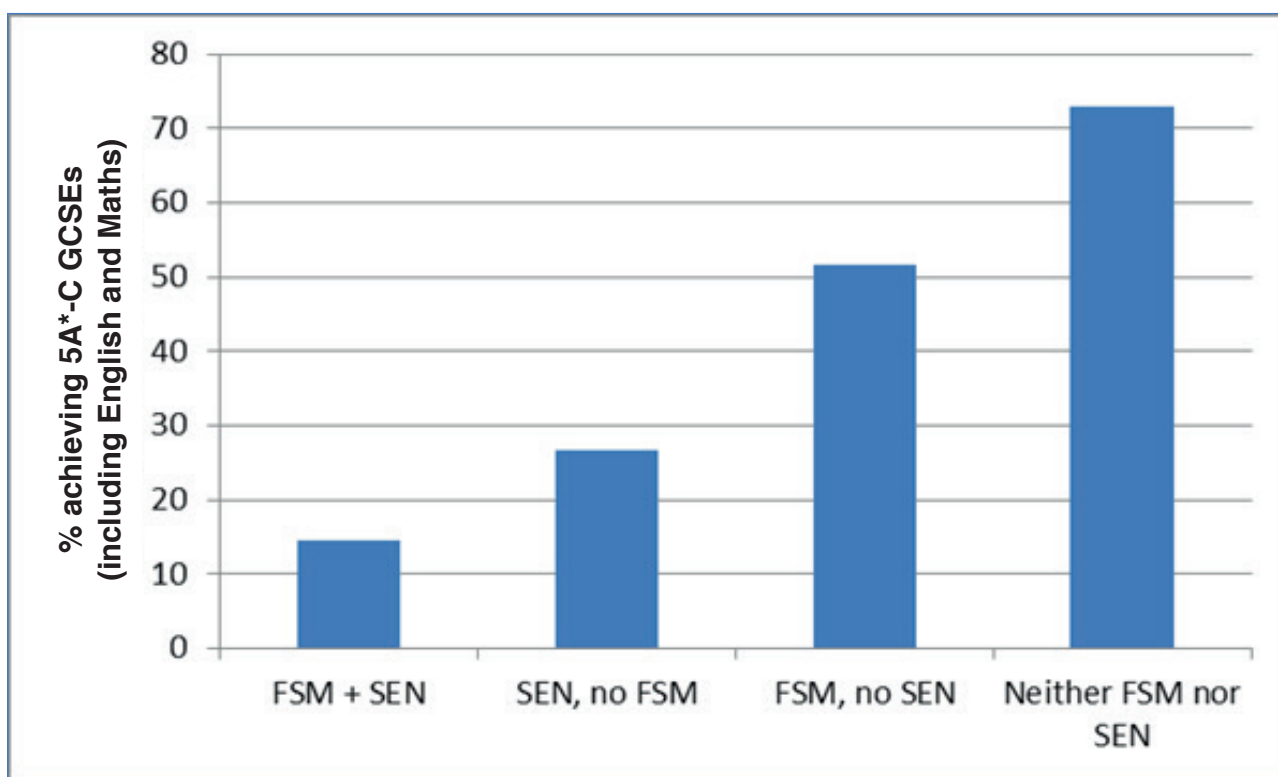
Children's health, disability and Special Educational Needs (SEN)

26. Ensuring children are 'school ready' is a key challenge. Children who are healthy, fit and alert will benefit most from their education and be able to realise their potential. But a child born in poverty is more likely than other children to be born early, born small, die in the first year of life, die before adulthood or experience health problems in later life.¹²⁹ Equally, children coming to school hungry or stressed as a result of their social and economic environment will be unable to take full advantage of learning opportunities. We are taking action to address these inequalities including through a range of health and education programmes, new duties on the NHS and new public health responsibilities for local government.
27. **Ill health and disability** among poor children can be an additional barrier to attainment, but this should not be the case. With equal access to mainstream education many disabled pupils and those suffering ill health can expect to achieve to the same level as their peers. That is why we will be introducing duties on schools to support getting these children into mainstream schools. We are also legislating on supporting pupils with health conditions.
28. But some children have **Special Educational Needs** and require special arrangements for their education. Poor children with Special Educational Needs (SEN) do worse at school than other children with SEN. In 2012/13 only 15% of pupils on free school meals with SEN got five good GCSEs (including English and maths), slightly over half the attainment of SEN pupils not on free school meals.¹³⁰ We need to support poor children with SEN to achieve more at school if we are to break the cycle of disadvantage and prevent them becoming poor adults.

¹²⁹ Dyson, A. et. al (2009)

¹³⁰ DfE (2014a)

Chart 4 – GCSE attainment of children by FSM and SEN status (2013)



Source: GCSE and equivalent attainment by pupil characteristics, 2012/13, DfE

29. To help children with SEN from 2014-17 we will:

- Improve support for children with SEN as set out in the Children and Families Act 2014, through a single birth-to-25 system of education, health and care plans. This will improve cooperation between all the services that support children and their families. We are also offering families personal budgets so they have more control.
- Identify children with extra needs earlier (between two and three years old) – triggering earlier support through a mandatory health check.
- Introduce more focus in schools on improving SEN outcomes so as to support a successful transition to adult life. This is outlined in the new 0-25 SENC Code of Practice which will be laid before Parliament in 2014.

30. The Government's *Better health outcomes for children and young people pledge* sets out our commitment to raising the health outcomes of our children and young people to some of the best in the world. The joint commitment¹³¹ of the health organisations which have signed the pledge will deliver action to:

- reduce child deaths,
- prevent ill health in children and young people and improve their opportunities for better long-term health,
- improve the mental health of children and young people,
- support and protect the most vulnerable, and

¹³¹ Through the **Better health outcomes for children and young people pledge**, launched by the Government in February 2013

- provide better care for children and young people with long-term conditions and disabilities

Low parental qualifications

31. Parental educational level has a very important influence on children's attainment.¹³² Mothers' education has the most important impact on children's early attainment, but fathers' education becomes increasingly important for older children.¹³³ The vocabulary of children of parents with no qualifications is 15 months behind the average child by the age of five.¹³⁴ That is why we are focused on increasing qualifications of parents. Chapter 1 sets out how.

Family income

32. The level of family income is itself a factor in children's attainment.¹³⁵ Low income is associated with greater stress and conflict, which can disrupt parenting. Families whose income has fallen tend to experience stress and conflict more than similar families whose income did not fall.¹³⁶ Improvements in the income of poor families can also lead to greater spending on learning resources in the home.¹³⁷ That is why we are focused on raising income through getting people into work and progressing in work – see chapter 1.

33. We want to break the cycle of poor children going on to be poor adults. We want to ensure that poor children have the opportunity to acquire the core knowledge and qualifications they need to succeed.

We will tackle intergenerational poverty by raising the attainment of poor children by ensuring:

- all children have the best possible start in life,
- all children arrive at school ready to learn,
- all children go to schools that help them to achieve the best educational outcomes they can,
- schools prepare children well for the transition to work or further study, and
- we can remove the barriers some poor children face to learning.

¹³² Sylva, K. et al (2012); Gregg, P. and Goodman, A. (2010)

¹³³ Sylva, K. et al (2012)

¹³⁴ Jones, I. and Schoon, E. (2008)

¹³⁵ Sylva, K. et.al (2012).

¹³⁶ Katz, I. et al (2007)

¹³⁷ Gregg, P., Waldfogel, J. and Washbrook, E. (2005)

Chapter 4:

Working with businesses and local areas

Summary

Central government action cannot, by itself, end child poverty.

Employers have a key role to play, for example paying decent wages, supporting flexible working, offering recognised training and qualifications and helping their staff progress at work.

Where people live matters. Each local area faces a different challenge in tackling child poverty. Local agencies now have the flexibility they need to tailor their services to meet local needs, for example supporting employment and skills and tailoring education, health and neighbourhood services. They can do this in partnership with the voluntary and community sector and with local people. Local Enterprise Partnerships (LEPs) in particular can play a vital leadership role in tackling the drivers of child poverty.

We will work with local areas and users to develop future local child poverty data. Local data will help users identify specific local challenges and provide robust evidence on what works.

The devolved administrations have their own responsibilities on child poverty and are taking action in the areas devolved to them, for example education.

Employers

1. As the Social Mobility and Child Poverty Commission made clear in its 2013 annual report, action by employers is vital in order to help low-income families move out of poverty.¹³⁸
2. Employers have a crucial role to play in helping people into work, developing their skills and enabling them to work enough hours and earn enough to lift themselves out of poverty. Good employers already do this.

¹³⁸ Social Mobility and Child Poverty Commission (2013)

3. All employers should:

- *Pay at least the National Minimum Wage:* In 2013, around 203,000 adults were estimated to be paid less than the National Minimum Wage,¹³⁹ which is unacceptable and illegal.
- *Consider paying the Living Wage:* Paying the Living Wage¹⁴⁰ may not be the right choice for every business, but across all sectors employers and employees should consider the case.
- *Support flexible working:* This can help parents to work and employers to recruit, motivate and retain their workforces. Employers should consider part-time positions at the point of recruitment.

Maternal employment is important as it allows parents to work themselves out of poverty. A report by the London Child Poverty Commission found that low levels of maternal employment were driven by a lack of quality part-time and flexible jobs, and London's exceptionally high childcare costs.

Camden Council took the decision to use their role as an employer, and their buying power, to help solve the problem. They became the country's first Timewise Council in April 2014, working with the Timewise Foundation. The Timewise Council accreditation scheme helps councils stimulate flexibility in the local jobs market. It allows them to share learning from their own workforce practice and use this experience to influence suppliers and local employers.

Action included Camden passing a Cabinet resolution to explicitly consider flexible working options for all positions. All jobs are now advertised on this basis. Camden supported this emphasis on flexible working through internal research, additional training for managers, and by senior leadership example.

Early signs of success include:

- an increase in the number of requests to work under flexible arrangements at the point of recruitment (100% of requests have been accommodated);
- a number of senior part-time, job share and job split arrangements have been put in place as a direct result of changes in management culture.

Camden has started to experience multiple benefits to their business, including an increased ability to recruit into 'hard to fill' posts and to attract and retain talent.

- *Offer recognised training and qualifications:* Workplace training and qualifications can help parents move their family out of poverty and may also increase employers' productivity.¹⁴¹
- *Understand their workforce:* From our consultation we learnt that if employers understand the circumstances and needs of their workforce they are better placed to offer opportunities, skills and benefits to support their employees. This can reduce absenteeism, increase retention, and raise workforce motivation and productivity.

¹³⁹ Low Pay Commission (2014). There is uncertainty about the extent of non-compliance, as this figure includes apprentices and those that have accommodation costs tied into their employment terms.

¹⁴⁰ The Living Wage is an hourly rate set independently and updated annually. It is calculated to take into account the basic cost of living in the UK. Employers can choose to pay the Living Wage on a voluntary basis. See <http://www.livingwage.org.uk/>

¹⁴¹ Garret, R., Campbell, M. and Mason, G. (2010)

In 2013, financial services firm **Legal & General** commissioned **Shelter** to carry out an independent survey of their UK employees' housing needs. Despite L&G being a Living Wage employer, Shelter found that:

- 40% of employees struggled, in one way or another, to keep up with their mortgage or rent in the past year.
- Around 75% of employees saved less or used an unauthorised overdraft to help meet rent or mortgage payments.
- There are some gaps in employees' knowledge when it comes to knowing where to go for free independent financial advice.

These results helped the company to understand some of the specific pressures on their employees and look for ways to improve support. As a consequence, L&G is currently considering the case to provide a tenancy deposit loan of around £1000 to help employees with the cost of moving house. This frees up parents' money in times of fiscal stress for other basic essentials, such as food and fuel, which are vital to a child's development and future life chances.

- *Review zero-hours contracts:* We have recently consulted on zero-hour contracts to ensure that they remain flexible and are not abused. For example by employers requiring employees to work exclusively for them, but not guaranteeing hours. Employers can help us to make sure people are treated fairly in a way that also helps keep people employed.
- *Increase progression opportunities:* Training schemes similar to those for graduates may give school leavers without formal qualifications the chance to progress and allow employers to successfully plan for the future. Apprenticeships can also be used to create clear progression routes within a business, allowing employers to access home-grown talent.

The **Spirit Pub Company** is a hospitality company that manages over 800 pubs across the UK. They have around 16,000 employees and run a dedicated Learning and Development Centre which offers a range of progression opportunities, particularly for employees who start on the National Minimum Wage.

Clear progression routes are available from starting positions to general manager and district manager level through training for qualifications and technical skills, for example NVQs and Apprenticeships. Progression is supported through development milestones linked to pay rises and further opportunities for qualifications.

The company report a range of benefits resulting from their progression policies including:

- a reduction in costs (both financial and in management time) associated with labour turnover and recruitment;
- improved worker commitment, leading to consistently high levels of customer service; and
- a pool of talent to fill future job vacancies, assisting succession planning.

By creating opportunities for progression at work, the Spirit Pub Company can help raise the incomes of parents on low pay.

- *Join the Social Mobility Business Compact:* 150 employers from a wide range of sectors have already signed up to develop the best young people and talent, not just those with the right contacts or resources. The Compact allows employers to pledge to uphold a set of fairer recruitment and employment practices, including paying interns appropriately.
4. Employers also have an important role within local schools and communities:
 - *School outreach:* Many employers already work with local schools. We want to encourage more employers to take on long-term projects, as sustained engagement is important for children's employment outcomes. One of the most strategic ways for employers to be involved in education is through employees serving as school governors. Not only can this have a significant impact on the life chances of local young people, but employers benefit from the board-level experience and skills their staff develop.
 - *Work experience:* Work experience and paid internships offered on merit are important for children from low-income families¹⁴² who may not have informal networks that help others get jobs.¹⁴³
 5. It is clear that action from employers is central to helping low-income families move out of poverty. These steps should also help employers access the widest range of skills and talents, recruit the best people, enhance their reputation and brand, and increase productivity.
 6. Third Sector organisations also have an important role to play, working alongside employers. One positive example of active employer engagement is Business in the Community's (BITC) work to ensure that employment provides a real route out of poverty for those who need it most. BITC has worked with its 850+ member companies in the business community over the past 32 years to stimulate action and help employers better identify and address the issues their employees face. We want to see even more businesses – from a diverse range of sectors – tackling poverty in their workforces and communities by following the example of BITC's members.

Local areas

7. Where people live matters. Each local area faces a different challenge in tackling child poverty. Relative child poverty rates range from as small as 13% (in the South East) to as high as 23% (in Yorkshire and the Humber and the West Midlands).¹⁴⁴ Local authorities in England have a duty to reduce child poverty.¹⁴⁵ Annex C provides local area data to show the varying size of challenge which different local authorities face.
8. This Government has taken action to give local areas more freedom to do what people want and need locally. We have removed overly strict requirements about what local agencies can spend their money on and given them more control over the services they provide.

¹⁴² Social Mobility and Child Poverty Commission (2013)

¹⁴³ Green, A. and White, R. (2007)

¹⁴⁴ DWP (2013b)

¹⁴⁵ They are required by the Child Poverty Act 2010 to cooperate to reduce, and mitigate the effects of, child poverty in their local areas; prepare and publish local child poverty needs assessments; and to consult children, parents and organisations representing them when preparing their strategy.

9. Local agencies now have the flexibility they need to tailor their services to face specific local challenges, making them vital partners in tackling child poverty:
- *Employment and skills:* We have given Jobcentre Plus increased freedom to work with local partners (such as the voluntary and community sector) to tailor their services to the needs of the people in their area.
 - *Local Growth:* We are supporting the private sector to expand through the Regional Growth Fund. We have a total of £2.6 billion to give to businesses by 2016 to spend on projects, like infrastructure, to help businesses grow and create jobs. Local areas can build further on existing work with partners to increase employment and skills, addressing barriers to the labour market through their Local Enterprise Partnership (LEP), enabling businesses and local authorities to come together. LEPs can play a vital leadership role in tackling the drivers of child poverty.

In February 2014, **Leeds City Council** and **Leeds City Region Enterprise Partnership** launched the More Jobs, Better Jobs initiative with the **Joseph Rowntree Foundation**. This aims to make poverty reduction an integral component of the local economic strategy and identify what can be done at a city level to create more and better jobs and link these to households in poverty.

The Leeds Child Poverty Outcomes Group regards local growth, allied to improvements in educational attainment, as central to its strategy. One of its priority objectives is **‘to offer target groups clear route ways into sustainable employment to ensure families have access to effective employment and training opportunities’**.

The partnership is in its early stages and has identified four cross-cutting themes:

1. **Sectors** – Explore who will benefit from local growth initiatives across different sectors. Identify what can be done at a local level to support job quality, skills utilisation and progression to tackle low pay.
2. **Labour market** – Leeds City Region faces major challenges in aligning its supply and demand of labour. Identify how training and employment opportunities can target households in poverty.
3. **Anchor Institutions** – Improve the contribution of the biggest employers, spenders and providers of services in the city region to the local economy and to poverty reduction. Identify alternative procurement and recruitment practices which could maximise local impact.
4. **Incentives** – Consider the business case for connecting growth and poverty locally, including the economic and financial costs of poverty, to both drive local economic growth and manage future demand on local public services.

As LEPs grow and mature, we would expect to see more of them taking similar approaches to ensure that the opportunities of economic growth are open to all.

- *Education:* We have taken action to give more autonomy to schools and colleges and reduce the rules about what they can spend their money on. We will publish reliable evidence on what works to help schools target the pupils that need the most help and reduce attainment gaps. We expect schools and partners in their local communities to work together to increase attainment of disadvantaged children.

- *Health:* Reducing child poverty is an indicator in the public health outcomes framework. This means that local authorities and health services will work together to address preventable health conditions and reduce health inequalities such as obesity rates. We have made £5.46 billion available to local authorities for their public health responsibilities for 2013/14 and 2014/15. To ensure they can target the specific health problems faced by the people in their local areas, in ways that the people want locally.
 - *Neighbourhood:* We want to make sure that where you grow up does not affect where you end up. We want local people to get involved in deciding what happens in their neighbourhoods. Therefore, we have given people the right to define their own neighbourhoods and have a say in the future of the places where they live and work through the right to create a Neighbourhood Plan, to bid to take over community assets and to challenge their local authority to deliver services better.
10. Local areas and communities should be evidence based in their work towards ending child poverty. Effective use of data should help tackle the key drivers of child poverty and be applied to determine the most effective interventions.

Local data

11. Understanding the challenges faced by local areas is vital to tackling the key drivers of child poverty. There is large variation across the country in child poverty levels (see Annex C) and local data helps both central and local government to develop effective strategies.
12. National child poverty levels have been historically reported in the Households Below Average Income (HBAI) publication, which uses the Family Resources Survey to estimate the number of children in low-income households. Due to small survey sample sizes it is not possible to use this data source to provide reliable estimates at a local level.
13. Alternative approaches to understanding child poverty locally have been developed in order to provide approximate estimates on the number of children living in low income families as well as a collection of local indicators that are associated with child poverty.¹⁴⁶
14. An existing proxy measure for local child poverty uses information about tax credit receipts to estimate the number of children living in low income families at a local level. In anticipation of the rollout of Universal Credit, which will replace tax credits for families with children, we will work in partnership with local areas and users to review existing indicators and local proxy measures. This will ensure we maintain and improve our understanding of child poverty at a local level through making use of the best available data.¹⁴⁷

The devolved administrations

15. Scotland, Northern Ireland and Wales are taking individual approaches, which fit their circumstances on the areas devolved to them, for example on education. Information on the devolved administrations' child poverty strategies can be found in Annex B.

Central government action cannot, by itself, end child poverty. Action is also needed by:

- employers;
- local agencies, in particular local authorities and Local Enterprise Partnerships, working in partnership with the voluntary and community sector; and
- the devolved administrations.

¹⁴⁶ HM Government (2010)

¹⁴⁷ HMRC (2014)

End notes

^{i.} The child poverty impacts of Universal Credit are calculated in the Department for Work and Pension's **Policy Simulation Model**. This is a static micro-simulation model, which applies policy modelling to data from the Family Resource Survey 2010/11.

In order to calculate the poverty impact of Universal Credit we first calculate the number of children living in households with income below 60% of the median income line (before housing costs) in the current benefit system. We then compare this to the number modelled as being in poverty under Universal Credit.

Since the Family Resources Survey is based on sample data, it is necessary to apply grossing factors to bring the total number of households in line with those in the population in general. This is done using calibration factors derived by comparing the numbers of households with those in our administrative data/forecasts. Numbers are rounded to the nearest 50 thousand to reflect sampling uncertainty.

Policy modelling is based on Autumn Statement 2013. It excludes the effects of the Minimum Income Floor, which is designed to encourage those affected to improve their income levels and for which the behavioural response is very difficult to model. Generally speaking, the modelling does not take behavioural impacts into account, but assumes that households circumstances (level of earnings etc.) are unchanged under Universal Credit compared with the current system.

^{ii.} The total comprises spending on the following benefits:

Out-of-work benefits (excluding retirement pensions)

- Severe Disablement Allowance
- Jobseeker's Allowance (Income Related)
- Jobseeker's Allowance (Contribution Based)
- Employment and Support Allowance (Income Related)
- Employment and Support Allowance (Contribution Based)
- Incapacity Benefit
- Income Support
- New Deal

Other means-tested benefits and tax credits (excluding Child Benefit)

- Pension Credit
- Carer's Allowance
- Maternity Grant
- Working Tax Credit/Child Tax Credit
- Housing Benefit
- Council Tax Benefit/Rate Rebate

These benefits were chosen because they have eligibility criteria most targeted on supporting families who would otherwise be at risk of low income, although a proportion of spending on these benefits (e.g. some contributory JSA payments) will go to relatively high-income households.

There is no perfect single source of data that allows benefit expenditure to be disaggregated according to households' family and work status. This analysis uses a mix of sources to develop these estimates. As a consequence, the figures quoted should be regarded as giving a broad order of magnitude, as different sources of information could give different results.

The **Family Resources Survey (FRS)** is a nationally representative sample of approximately 20,000 UK private households. Data for 2011/12, the latest year available, was collected between April 2011 and March 2012. The figures from the FRS are based on a sample of households which have been adjusted for non-response using multi-purpose grossing factors which align the estimates to Government Office Region populations by age and sex. Estimates are subject to sampling error and remaining non-response error.

A benefit unit is defined as a single adult or a married or cohabiting couple and any dependent children. An adult is defined as those individuals aged 16 or over, unless defined as a dependent child. An individual may be defined as a child if aged 16-19 years old and they are not married nor in a Civil Partnership nor living with a partner; and living with parents; and in full-time non-advanced education or in unwaged government training.

The figures presented splits benefit units by employment status and family type.

At an individual level, any individual of working age who is either an employee or self-employed in full-time or part-time work is classified as “in work”. At a benefit-unit level, families are defined as being either: **working** where all individuals of working age in the benefit unit are in work; **workless**, where no individual of working age in the benefit unit is in work, or **mixed**, where one or more individuals of working age is in work, and one or more individuals of working age is not in work. Benefit units with no individuals of working age are counted separately. Working age is defined as all individuals aged 16-64 for these purposes.

For the purpose of this analysis mixed benefit units have been included within the total of families in work and benefit units with no individuals of working age have been included within the workless total. The estimated total payment to workless families (£20 billion) includes both receipt of out-of-work benefits and other means-tested benefits by these benefit units. Both types of benefit have also been included in calculating total payments to working families (£25 billion).

Family type is defined by the number of adults (either a couple or single) and the number of children, including those with no children, in the benefit unit. Only benefit payments to families with children have been included in the spending totals presented.

The FRS analysis provides data on benefit caseloads and the average weekly payment, grossed up to national totals. From this, figures for total weekly benefit expenditure can be estimated, broken down by the dimensions given previously.

The FRS is known to under-record benefit receipt. More information is given in the methodology section of the FRS report, table M.6 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206887/frs_2011_12_report.pdf).

Therefore, the weekly expenditure figures are used to sub-divide **out-turn expenditure from DWP's annual accounts** across the desired sub-groups, rather than being used directly to derive an expenditure estimate. Out-turn benefit expenditure data is published at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/222845/expenditure_tables_Budget_2013.xls. These are consistent with figures published in the departmental accounts, though don't match them exactly because of the accounting treatment of certain items of expenditure and income. These figures relate to the out-turn as was known at Budget 2013; there may have been some minor changes in overall expenditure on benefits that are not administered directly by DWP, but these will not be material to the analysis.

In attributing total expenditure across sub-groups:

- Child Tax Credit and Working Tax Credit are combined.
- All spending on out-of-work benefits (Employment and Support Allowance, Incapacity Benefit, Severe Disablement Allowance, New Deal, Income Support and Jobseeker's Allowance) is assumed to go to non-working benefit units. Comparison between FRS data and administrative sources suggests the FRS significantly overstates the proportion of claimants of these benefits who have some earnings brought to account.

Survey based estimates of benefit receipt will obviously differ from estimates based on administrative data. Our estimate of spending on tax credits for families in work will be higher, and estimated tax credit spending on workless families lower, than HMRC published awards which define all families in which working-age adults are working insufficient hours to qualify for Working Tax Credit as being out of work. The spending estimates we present are also calibrated to cash expenditure rather than finalised awards.

iii. Sourced from the 2011/12 Family Resources Survey (FRS). The FRS asks respondents what is the highest level of qualification they have received from school, college or since leaving education, including any work-based training. Comparisons between the numbers with no qualifications in the FRS, the Labour Force Survey (LFS) and the Census indicate that the FRS figures overstate the numbers of working-age adults with no qualifications. The 2011/12 HBAI report publishes the highest level of educational attainment for individual working-age adults. The analysis used here identifies families with dependent children and then identifies the highest qualification among all adults of working age and above in that family. Children in families with 'No qualifications' is where no adults in the family have reported having any qualifications, and those in families with 'Low qualifications' is where the highest qualification reported among all adults in the family is GCSE grade D-G, CSE grade 2-5, Standard Grade level 4-6 or other qualification (including foreign qualifications below degree level). Full details of the methodology used in HBAI can be found here: <https://www.gov.uk/government/publications/households-below-average-income-hbai-199495-to-201112>

Annex A:

Progress on the 2011-14 Strategy

Introduction

1. The Child Poverty Act 2010 requires the Government to produce child poverty strategies every three years and to monitor progress. Each of the devolved administrations is responsible for producing and monitoring their own child poverty strategy (see Annex B).

Action we have taken to address child poverty

2. The Child Poverty Strategy of 2011 set out how we intended to tackle the root causes of child poverty, make progress on the Child Poverty Act targets and improve the lives of the most vulnerable groups of children.
3. The 2011 Strategy also set out an extensive programme of policies across government and local areas. Annex B of the 2011 Strategy set out the key structural reforms that would help facilitate this. These reforms have now **all been introduced** and a progress update is provided below.

IMPLEMENTATION OF KEY STRUCTURAL REFORMS

Key structural reform	Progress
Local areas continue to fulfil their duties in relation to the Child Poverty Act	The Localism Act, November 2011, has given local government, communities and individuals more freedom to improve outcomes for local people.
Fairness Premium introduced	Pupil Premium introduced in 2011/12. Entitlement to 15 hours a week of pre-school education for the most disadvantaged two year olds introduced in 2013 and being extended from 2014.
Changes to Local Housing Allowance	Changes to Local Housing Allowance introduced April 2011.
Begin reassessing Incapacity Benefit customers for Employment and Support Allowance	Full roll-out of reassessment began April 2011.

Key structural reform	Progress
16 Community Budgets running – to be extended to all local authority areas across England	Now called Our Place. 100+ Our Place areas are being supported to develop their Operational Plans by March 2015, alongside the creation of a network of 100 Our Place Champions
Early Intervention Grant allocated to local authorities	Early Intervention Grant (EIG) funds allocated in 2011/12 and 2012/13. From 2013/14 the EIG became part of the local government funding scheme (the Business Rates Retention Scheme).
Education Endowment Fund allocated to chosen schools	First Education Endowment Fund grants made October 2011.
Role of Independent Reviewer on social mobility extended to include child poverty	We established the Social Mobility and Child Poverty Commission in November 2012.
Indicators in Departmental Business Plans finalised	Child Poverty indicators on workless households embedded in Business Plans from 2011.
Work Programme rolled out nationally	Work Programme rolled out nationally in June 2011.
First Pupil Premium funding allocated to schools	First Pupil Premium allocations in 2011/12.
Public Health Outcomes Framework in place	Public Health Outcomes Framework published January 2012.
Health and Well-being Boards operating in all areas on a non-statutory basis	Statutory responsibilities introduced from April 2013.
Introduction of Universal Credit	April 2013 – Universal Credit (UC) introduced in certain areas of the north-west of England. Progressive roll out from 2013. UC service fully available in each part of Great Britain during 2016 with the majority of the remaining legacy caseload moving to UC by the end of 2017.

4. The 2011 Strategy also identified actions under each of its main aims. The table below highlights the key policies in place which have helped us make progress. The new Strategy builds on the 2011 framework and links to the new Strategy are also shown.

2011 STRATEGY: ACTIONS AND KEY POLICIES

2011 Strategy actions	Key policies	Link to 2014 Strategy
Supporting families to achieve financial independence Provide better incentives to work	<p>Supporting working families through Working Tax Credit and Child Tax Credit.</p> <ul style="list-style-type: none"> Supported working families through Working Tax Credit and Child Tax Credit. Ensured people keep more of their earnings by increasing the Personal Tax Allowance – from £7,475 in 2011/12 to £9,440 in 2013/14. Made work pay through the introduction of Universal Credit which simplifies the benefits system and makes it easier for people to access. Expected, in the longer term, to reduce the number of workless people by up to 300,000.¹⁴⁸ 	Chapter 1
Support parents to overcome barriers to work	<ul style="list-style-type: none"> Helped people into work for example through the Work Programme, which provides tailored help for parents who are long-term unemployed, and by improving parents' qualifications. Expected to provide personalised support to 2.3 million claimants over the life of the contract (to 2016). To date more than 274,000 people on the Work Programme have found lasting work.¹⁴⁹ Helped particular groups of parents who might have more issues to overcome when returning to work, for example lone parents. Given more flexibility and discretion to Jobcentre Plus Advisers through the Flexible Support Fund. 	Chapter 1
Help families to improve their financial management and to avoid unmanageable debt	<ul style="list-style-type: none"> Helped to educate young people about financial matters, improved the financial advice and information available and improved access to better financial products. This included free advice through the Money Advice Service which was launched in April 2011. 	Chapter 2
Reform the education funding structure	<ul style="list-style-type: none"> Increased investment in early years education and extended funding to two year olds from low-income families. Supported schools by introducing the Pupil Premium which provides additional funding to schools to help their most disadvantaged pupils achieve more. Total funding through the Pupil Premium has increased from £625 million in 2011/12 to £1.875 billion in 2013/14. It will rise to £2.5 billion in 2014/15. 	Chapter 3

¹⁴⁸ DWP (2012)¹⁴⁹ DWP (2014b)

2011 Strategy actions	Key policies	Link to 2014 Strategy
Supporting family life and children's life chances		
Support strong stable families	<ul style="list-style-type: none"> Supported families to stay together – between 2013 and 2015 we are providing £30 million for charities to provide relationship support. And an additional £20 million on support for separating and separated parents. 	Chapter 1
Improve educational attainment	<ul style="list-style-type: none"> Ensured that poor children are not disadvantaged in the early years. For example we have continued to provide 15 hours of funded childcare to all three and four year olds at a cost of £2.2 billion a year. And we extended this help to 130,000 of the most disadvantaged two year olds in 2013. Given schools increased Pupil Premium funding to raise educational attainment for poor children. Schools will be held to account for the use of this money through Ofsted. 	Chapter 3
Improve health outcomes for children	<ul style="list-style-type: none"> Improved early identification of any Special Educational Needs (SEN) or disability issues and reformed the SEN system. This includes introducing a combined Education, Health and Care plan for people with SEN aged up to 25. Currently being trialled and provided up to £600,000 in 2013/14 for 20 Pathfinder councils to drive forward these reforms. 	Chapter 3
Address barriers for disadvantaged groups of children	<ul style="list-style-type: none"> Helped vulnerable groups and provided a range of targeted policies for those who face specific challenges. For example Care to Learn funding for teenage parents allowing them to attend courses. 	Annex D
The role of place and transforming lives		
Reforming public services and free up partners to increase the potential for more localised approaches to tackling child poverty	<ul style="list-style-type: none"> Encouraged and facilitated the action that local authorities and other local agencies can take to work in partnership to tackle child poverty. Local areas in England are vital partners in taking forward work to end child poverty. Introduced the Localism Act in November 2011 which has brought new freedoms and flexibilities for local government and new rights and powers for communities and individuals. Supported local areas and communities in their valuable work by publishing data to help identify specific local challenges and providing robust evidence on what works. 	Chapter 4

Monitoring the effect of our policies

- Annex A of the 2011 Child Poverty Strategy set out the targets and indicators we are using to measure the effects of our actions and policies on child poverty over the lifetime of that strategy. A report on these is below.

6. The Government has also established the new Social Mobility and Child Poverty Commission. The Commission's role is to challenge and monitor progress by Government and other external institutions against the objectives of improving social mobility and reducing child poverty. The Commission produced its first independent annual report on progress in October 2013.¹⁵⁰
7. The Government remains committed to the goal of ending child poverty by 2020. This target, along with the other Child Poverty Act 2010 targets, is covered in the table below.
8. Please note, statistics throughout the Strategy (and its annexes) relating to children in relative and absolute low income, as well as in combined low income and material deprivation are sourced from the latest 2011/12 edition of the Households Below Average Income (HBAI) publication. These statistics were created using mid-year population estimates based on the 2001 census. All following publications of HBAI, from the 2012/13 edition onwards, will use mid-year population estimates based on the 2011 census, with consistent back series also published. As a result, some of the child poverty-related statistics presented in this Strategy may see small revisions when published in the forthcoming 2012/13 HBAI report.

CHILD POVERTY STRATEGY TARGETS AND INDICATORS 2011-2014

Indicator	Indicator description	Comparator year data		Most recent data		Coverage
		Year	Data	Year	Data	
Act target: Relative Low Income	Proportion of children living in households where income is less than 60% of median household income for the financial year on a Before Housing Cost (BHC) basis (2020/21 target is less than 10%). ¹⁵¹	2010/11	18%	2011/12	17% ¹⁵²	UK
Act target: Absolute Low Income	Proportion of children living in households where income is less than 60% of median household income in 2010-11 adjusted for prices (BHC) (2020/21 target less than 5%). ¹⁵³	2010/11	18%	2011/12	20% ¹⁵⁴	UK

¹⁵⁰ Social Mobility and Child Poverty Commission (2013)

¹⁵¹ DWP (2013b)

¹⁵² This change is not significant as the proportion of children in relative low income has remained broadly the same since 2010/11.

¹⁵³ DWP (2013b)

¹⁵⁴ The change on 2010/11 is statistically significant.

Indicator	Indicator description	Comparator year data		Most recent data		Coverage
		Year	Data	Year	Data	
Act target: Combined Low Income and Material Deprivation	Proportion of children who experience material deprivation and live in households where income is less than 70% of median household income for the financial year (BHC) (2020/21 target is less than 5%). ¹⁵⁵	2010/11	13%	2011/12	12% ¹⁵⁶	UK
Act target: Persistent Poverty	Proportion of children living in households where income is less than 60% of median household income for at least three out of the previous four years (BHC). ¹⁵⁷	2005 to 2008	12%	Not available	Not available	UK
Severe Poverty	Proportion of children who experience material deprivation and live in households where income is less than 50% of median household income for the financial year (BHC). ¹⁵⁸	2010/11	4%	2011/12	3% ¹⁵⁹	UK
Children in Workless Households	Proportion of children living in workless households. ¹⁶⁰	2010	16%	2013	13%	UK
In-Work Poverty	Proportion of children living in families where at least one person works but are still in relative poverty. ¹⁶¹	2010/11	13%	2011/12	13%	UK
Transition from childhood to the labour market	Proportion of 18-24 year olds	2010	45.2%	2014	46.4%	England
	(i) participating in part time or full time education and training. ¹⁶² (ii) not in full time education or training who are not in employment. ¹⁶³	2011	30.3	2013	30.2%	UK

¹⁵⁵ DWP (2013b)

¹⁵⁶ The change on 2010/11 is not statistically significant.

¹⁵⁷ The data source for measuring persistent poverty, the British Household Panel Survey, ended in 2008 and has since been subsumed into the Understanding Society survey. Due to this change in data source the most recent persistent poverty figures cannot be produced until four years of comparable data are collected.

¹⁵⁸ DWP (2013b)

¹⁵⁹ The change on 2010/11 is not statistically significant.

¹⁶⁰ ONS (2014e)

¹⁶¹ DWP (2013b)

¹⁶² DfE (2014b)

¹⁶³ DWP (2013d)

Indicator	Indicator description	Comparator year data		Most recent data		Coverage
		Year	Data	Year	Data	
Low birth weight	Low birth weight (gap between social classes 1-4 and social classes 5-8). ¹⁶⁴ Low birth weight defined as under 2.5kg at birth.	2010	1.1 percentage points Classes 1-4 6.3% Classes 5-8 7.4%	2011	0.6 percentage points Classes 1-4 6.5% Classes 5-8 7.1%	England and Wales
Child development	We will develop an indicator looking at gaps in school readiness for children aged up to five between children from different social backgrounds following consideration of the Tickell review. ¹⁶⁵	N/A	N/A	N/A	N/A	N/A
Attainment at school and in further education	Attainment gap between children receiving free school meals and the rest at Key Stage 2 in reading, writing and mathematics. ¹⁶⁶	2010/11	Not available	2012/13	18.7 percentage points FSM 60.1% Non FSM 78.8%	England
	Attainment gap between children receiving free school meals and the rest in achieving the basics at Key Stage 4 (currently defined as achieving an A*-C in English and mathematics GCSEs). ¹⁶⁷	2010/11	27.4 percentage points FSM 35.1% Non FSM 62.5%	2012/13	26.2 percentage points FSM 36.8% Non FSM 63%	England

¹⁶⁴ ONS (2014b) A change to the NSSEC classification used in 2011 means figures for 2012 are not directly comparable with those for 2010.

¹⁶⁵ The Department of Health are measuring child's development at age 2-2½ and this new data will be merged with the National Pupil Database held by Department for Education, to track attainment at key school ages. The measure will be produced at national and local levels. The time lag between recording a child's pre-school cognitive development and their reaching age five means that no data is available for 2011-14. However, data on the attainment of children at the end of the Early Years Foundation Stage (including those in receipt of free school meals) can be found on www.gov.uk.

¹⁶⁶ DfE (2014a)

¹⁶⁷ DfE (2013c)

Indicator	Indicator description	Comparator year data		Most recent data		Coverage
		Year	Data	Year	Data	
	Attainment gap between children who were receiving free school meals at age 19 and the rest in achieving level 3, broken down into; (a) achieving two A levels, or	2010/11	20.8 percentage points FSM 14.7% Non FSM 35.5%	2012/13	21.9 percentage points FSM 15.9% Non FSM 37.9%	England
Attainment at school and in further education	(b) other A level equivalent qualification.	2010/11	3.4 percentage points FSM 14.9% Non FSM 18.3%	2012/13	2.3 percentage points FSM 19.3% Non FSM 21.6%	England
Progression to higher education	Progression of pupils aged 15 to higher education at age 19 (FSM at 15, non-FSM at 15 and gap) ¹⁶⁸	2010/11	18 percentage points FSM 20% Non FSM 38%	Not available	Not available	England
Teenage pregnancy	Conception rates per 1000 for women aged 15-17 years. ¹⁶⁹	2010	35.5 per 1000	2012	27.9 per 1000	England and Wales
Young offending	Number of young people aged 10-17 receiving their first reprimand, warning or conviction. ¹⁷⁰	2010	49,072	2013	23,196	England and Wales
Family structures	The proportion of children living in relative poverty in families ¹⁷¹ by:	2010/11	14%	2011/12	15%	UK
	(a) couples who are married/in a civil partnership					
	(b) couples who are cohabiting; and		24%		20%	UK
	(c) lone parents		22%		22%	UK

¹⁶⁸ BIS (2013)¹⁶⁹ ONS (2014c)¹⁷⁰ Ministry of Justice (2014)¹⁷¹ DWP (2013b)

Annex B:

Approach taken by the devolved administrations

WALES

Introduction

1. The UK Government retains key policy responsibility for welfare and social security and fiscal and macro-economic policy. Other areas relevant to child poverty such as education, health and economic development are devolved to the Welsh Government.
2. The Children and Families (Wales) Measure 2010 placed a duty on the Welsh Government to publish a Child Poverty Strategy for Wales, and set specific objectives for improving the outcomes of children and families living in low income households. The Welsh Government is also required to report on progress that has been made towards meeting these objectives in 2013 and every three years after that.

Aims and priorities

3. The Welsh Government's 2011 Child Poverty Strategy¹⁷² set out three strategic objectives:
 - reduce the number of families living in workless households;
 - improve the skills of parents/carers and young people living in low income households so they can secure well-paid employment;
 - reduce inequalities that exist in health, education and economic outcomes of children and families by improving the outcomes of the poorest.
4. To further support these objectives, the Tackling Poverty Action Plan¹⁷³ (which sets out what is being done to build resilient communities and to help prevent and reduce poverty in Wales) focuses action in four key areas:
 - improving the educational attainment of children from low income families;
 - helping more people into jobs, especially in workless households;
 - reducing the number of young people not earning or learning in Wales;
 - ensuring that all people regardless of how poor or how deprived the area they live in have equal and fair access to essential services.

¹⁷² Welsh Assembly Government (2011)

¹⁷³ Welsh Assembly Government (2013a)

Children and Families (Wales) Measure 2010: A wider Public Sector commitment to eradicating child poverty

5. This Measure placed a duty on not only the Welsh Ministers, but also on local authorities and other Welsh Authorities (including health, education, cultural, environment, Fire and Rescue and sport sectors) to prepare and publish a Child Poverty Strategy that sets out its objectives and actions for contributing to the eradication of child poverty in Wales. This legal duty engaged the wider public sector within Wales on matters relating to child poverty. This has resulted in organisations changing their priorities and policies to encourage children from low-income families to access their services more easily.
6. A full account of recent measures taken by the Welsh Government can be found in the 2013 Progress Report.¹⁷⁴ Examples of the positive steps that have been taken in relation to tackling child poverty in Wales are detailed below:

Initiative and Purpose	Size/Spend	Outcomes
<p>Flying start</p> <p>Offers a range of support, including high quality childcare for two year olds in some of the most deprived parts of Wales. It also helps parents to access information and support about skills, jobs and debt advice.</p>	<p>£68.6m (revenue) and £11m (capital) have been allocated for 2014-15. A further £75.6m (revenue) and £2m (capital) have been allocated for 2015-2016.</p>	<p>Evidence to date shows that Flying Start is beginning to have a real, positive impact on children for example early language development and improved numeracy and literacy skills. By the end of 2012/13 23,579 children had benefitted from Flying Start services. By the end of 2013/14 nearly 28,000 children and their families will be receiving support from the programme.</p>
<p>Jobs Growth Wales</p> <p>Launched in April 2012, Jobs Growth Wales will create 16,000 jobs over four years for unemployed young people aged 16-24. Participants will be paid at or above the National Minimum Wage (NMW) for a minimum of 25 hours per week. Employers are reimbursed the NMW and National Insurance contributions. The ambition of the programme is that the jobs are sustained after the six month opportunity.</p>	<p>Jobs Growth Wales, launched in April 2012, will receive an additional £12.5 million to extend the programme to 2015/16. This brings total received funding to £87.5 million.</p>	<p>As of 10 May 2014, 13,223 jobs had been created and 9,978 jobs had been filled across Wales.</p>

¹⁷⁴ Welsh Assembly Government (2013b)

Initiative and Purpose	Size/Spend	Outcomes
<p>Families First</p> <p>Families First has been the driving force of the Welsh Government's whole family approach by establishing a Team Around the Family (TAF) and Joint Assessment Family Framework (JAFF). Wales is the first country in the UK to have mandated a TAF in every local authority.</p>	<p>A total of £46.9m has been allocated to the Families First Programme for 2014/2015 and a further £44.6m for 2015/2016.</p>	<p>The independent evaluation of Families First was published in December 2013.</p>
<p>School Effectiveness and Pupil Deprivation Grants (PDG)</p> <p>Improves standards around literacy and numeracy.</p> <p>Helps schools tackle the barriers to learning and break the link between deprivation and poor outcomes.</p>	<p>The level of funding available from the PDG has risen by an additional £35 million for 2014/15, more than doubling the per pupil allocation from £450 to £918. The grant has been extended for a further year into 2015/16 when it is expected to return to £450 per pupil.</p> <p>The total School Effectiveness Grant available is £28.8 million in 2013/14, and local authorities are expected to match-fund to the tune of £8.6 million.</p>	<p>The grant was extended in 2013/14 to include support for looked after children. All of the money associated with the Pupil Deprivation Grant is directed to schools and schools are expected to utilise the increased funding in 2014/15 to put in place well-evidenced interventions that are sustainable beyond the lifetime of the grant.</p>

Progress against 2011 Child Poverty Strategy targets (UK) indicators

Indicator	Indicator description	Three years ending 2010/11	Three years ending 2011/12
Act target: Relative Low Income	Proportion of children living in households where income is less than 60% of median household income for the financial year (2020 UK target is less than 10%). ¹⁷⁵	23%	23%
Act target: Absolute Low Income	Proportion of children living in households where income is less than 60% of median household income in 2010/11 adjusted for prices (2020 UK target less than 5%). ¹⁷⁶	21%	24%
Act target: Combined Low Income and Material Deprivation	Proportion of children who experience material deprivation and live in households where income is less than 70% of median household income for the financial year (2020 UK target is less than 5%). ¹⁷⁷	Cannot yet be reported	Cannot yet be reported
Act target: Persistent Poverty	Proportion of children living in households where income is less than 60% of median household income for at least three out of the previous four years. ¹⁷⁸	No new figures for persistent poverty have been published since the last Strategy and therefore progress has not been measured.	

¹⁷⁵ DWP (2013b)

¹⁷⁶ DWP (2013b)

¹⁷⁷ Due to the volatility of the measure at this level, three years' worth of data are required to produce a reliable estimate. Owing to a change in methodology of the UK-wide material deprivation measure, comparable figures are only available for 2010/11 and 2011/12. The proportion of children in combined low income and material deprivation will not be available for Wales until the 2012/13 HBAI report is published.

¹⁷⁸ The data source for measuring persistent poverty, the British Household Panel Survey, ended in 2008 and has since been subsumed into the Understanding Society survey. Due to this change in data source more recent persistent poverty figures cannot be produced until four years of comparable data are collected.

7. The Child Poverty Strategy for Wales set out six key indicators of child poverty. Data for each of these strategic indicators is below. There are also a wider set of proxy indicators for the early years, income and work, education, health, housing and community.

Indicator	Comparator year		Most recent data	
	Year	Data	Year	Data
Percentage of children living in workless households. ¹⁷⁹	2010	18.8%	2012	17.7%
Percentage of working age adults with no qualifications. ¹⁸⁰	2010	12.1%	2013	9.7%
Percentage of live births weighing less than 2,500 grams. ¹⁸¹	2010	7.0%	2012	7.3%
Percentage of pupils eligible for Free Schools Meals who achieve the Level 2 threshold including English/Welsh and maths at Key Stage 4. ¹⁸²	2010	20.7%	2013	25.8%
Looked after children per 10,000 population aged under 18. ¹⁸³	2010	81 children per 10,000	2013	91 children per 10,000
Number of children living in low income households reaching health, social and cognitive development milestones when entering formal education.	The Welsh Government will establish comparative datasets on the development outcomes of children from low income families, as they enter full time education.			

¹⁷⁹ ONS (2013b)

¹⁸⁰ Welsh Assembly Government (2013b). Information from the Annual Population Survey.

¹⁸¹ Welsh Assembly Government (2013b). ONS data.

¹⁸² Welsh Assembly Government (2014)

¹⁸³ Welsh Assembly Government (2013b)

SCOTLAND

Introduction

8. The UK Government retains key policy responsibility for welfare and social security, fiscal policy, and macroeconomic policy. Other related areas such as education, health, business support and regeneration are devolved to the Scottish Government.
9. The Child Poverty Act 2010 requires the Scottish Government to publish a child poverty strategy and to report on progress against that strategy annually. The Child Poverty Strategy for Scotland was published in 2011, with a revised document, *Child Poverty Strategy for Scotland: Our Approach 2014-17*, published on 10 March 2014.

Aims and priorities

10. The Scottish Government's 2011 Strategy set out two key aims, maximising household resources and improving children's wellbeing and life chances. Communities and place were also key.
11. The 2014-17 Strategy reformulates the two key aims above as outcomes, alters how they are reported on, and recognises the increasing emphasis on place-based policy via the introduction of a third outcome. These three outcomes, Pockets, Prospects and Places ("the 3Ps"), are set out below:
 - **Maximising household resources** – The aim is to reduce income poverty and material deprivation by maximising financial entitlements and reducing pressure on household budgets among low income families, as well as by maximising the potential for parents to increase family incomes through sustained good quality employment, and promoting greater financial inclusion and capability. (Pockets)
 - **Improving children's wellbeing and life chances** – The aim of this Strategy is to break inter-generational cycles of poverty, inequality and deprivation. This requires a focus on tackling the underlying social and economic determinants of poverty, and improving the circumstances in which children grow up – recognising the particular importance of improving children's outcomes in the early years. (Prospects)
 - **Children from low income households live in well-designed sustainable places** – The aim is to address area-based factors which currently exacerbate the effects of individual poverty for many families by continuing to improve the physical, social and economic environments in local areas, particularly in those areas of multiple deprivation in which child poverty is more prevalent. (Places)
12. The Scottish Government has developed a new outcomes framework which sets out key areas of activity to achieve the aims and principles set out above. The approach taken has been developed in partnership with the Ministerial Advisory Group and all interested parties across Scotland. The outcomes framework will be developed into a measurement framework and set out in the 2014 Annual Report.

Measures taken

13. A full account of recent measures taken by the Scottish Government can be found in the Annual Report for the Child Poverty Strategy 2013.¹⁸⁴
14. Examples of the positive steps that have been taken in relation to tackling child poverty in Scotland are detailed below:

¹⁸⁴ The Scottish Government (2013a)

Initiative and Purpose	Size/Spend	Outcomes
<p>Early Years Taskforce, set up to provide strategic directions for early years policy and lead the drive to preventative spend at a national level. The Taskforce oversees the Early Years Collaborative (EYC), an outcomes focused, multi-agency, quality improvement programme which includes targets on infant mortality and early development.</p>	<p>Early Years Change Fund of £272 million, which is designed to implement Scotland's Early Years Framework and take forward the preventative spend agenda.</p>	<p>The overall outcome sought is to make Scotland the best place to grow up.</p> <p>Launched in October 2012 the EYC focuses on ensuring that:</p> <ul style="list-style-type: none"> – Women experience positive pregnancies which result in the birth of more healthy babies (by 2015) – 85% of all children within each Community Planning Partnership (CPP) have reached all expected developmental milestones at their 27-30 month child health review (by 2016) – 90% of all children within each CPP have reached all expected developmental milestones at the time they start primary school (by end-2017).
<p>Opportunities for All Brings together More Choices, More Chances Strategy, 16+ Learning Choices and the Post-16 Transitions Policy and Practice Framework into a single coherent approach to support all young people between the ages of 16 and 20 engage in learning, training and employment.</p>	<p>£10.15 million available in 2013-15 to ensure delivery of Opportunities for All post-16 transition planning and Activity Agreements.</p>	<p>In March 2013, 89.5% of school leavers were sustaining a positive destination (learning, training and employment). This is a record high and there has been a year on year increase since 2008/09.</p>
<p>Youth Employment Scotland Helping unemployed 16-24 year olds into work. Delivered by local authorities.</p>	<p>£25 million available in 2013/14 (including £10m from the European Social Fund).</p>	<p>10,000 young people to receive an enhanced package of support from the start of unemployment.</p>
<p>More support for young people facing most challenges.</p>	<p>Extended eligibility for Community Jobs Scotland places and Targeted Employer Recruitment Incentives for vulnerable 16-24 year olds. Backed up by an additional £500,000.</p>	<p>Additional £500,000 aims to help up to 250 young people with an enhanced package of support from the start of unemployment.</p>

Initiative and Purpose	Size/Spend	Outcomes
Support for those affected by Welfare Reform Changes.	Additional £40 million, with partners in local government in 2013/14 and in 2014/15 for Council Tax Reduction Scheme.	Will protect half a million people from the UK Government's 10% reduction in funding for Council Tax Benefit successor arrangements.
	Extra £20 million to councils for Discretionary Housing Payments in 2013/14 and up to £20 million again in 2014/15 to help those affected by welfare reform including the removal of the spare room subsidy.	If all DHP money available (£35 million) in 2013/14 is used for the removal of the spare room subsidy it would completely remove 7 out of 10 households affected this year.
	Additional £7.9 million additional funding for advice and support services across the country.	
	Extra £9.2 million in 2013/14 and again in 2014/15 for a new Scottish Welfare Fund (introduced April 2013), giving a total of £33 million.	Capacity to help some 200,000 people.

Progress against 2011 Child Poverty Strategy targets (UK) and indicators

15. The most recent figures for the statutory targets in the Child Poverty Act 2010 are set out below:

Indicator	Indicator description	Comparator year		Most recent data	
		Year	Data	Year	Data
Act target: Relative Low Income	Proportion of children living in households where income is less than 60% of median household income for the financial year (2020 UK target is less than 10%).	Three years ending 2010/11	19%	Three years ending 2011/12	17% ¹⁸⁵
		2010/11	17%	2011/12	15% ¹⁸⁶
Act target: Absolute Low Income	Proportion of children living in households where income is less than 60% of median household income in 2010/11 adjusted for prices (2020 UK target less than 5%).	Three years ending 2010/11	18%	Three years ending 2011/12	17% ¹⁸⁷
		2010/11	17%	2011/12	16% ¹⁸⁸

¹⁸⁵ DWP (2013b)

¹⁸⁶ The Scottish Government (2013b) This single year figure cannot be compared to the regional three year average figure published by DWP.

¹⁸⁷ DWP (2013b)

¹⁸⁸ The Scottish Government (2013b) This single year figure cannot be compared to the regional three year average figure published by DWP.

Indicator	Indicator description	Comparator year		Most recent data	
		Year	Data	Year	Data
Act target: Combined Low Income and Material Deprivation	Proportion of children who experience material deprivation and live in households where income is less than 70% of median household income for the financial year (2020 UK target is less than 5%).	2010/11	12%	2011/12	8% ¹⁸⁹
Act target: Persistent Poverty	Proportion of children living in households where income is less than 60% of median household income for at least three out of the previous four years.	No new figures for persistent poverty have been published since the last strategy and therefore progress has not been measured. ¹⁹⁰			

16. In addition to reporting against the statutory targets the Scottish Government also tracks progress against a range of other indicators including those that are most relevant from the National Performance Framework. Progress on the National Performance Framework indicators is detailed below:

Indicator	Indicator description	Comparator year		Most recent data	
		Year	Data	Year	Data
Increasing overall income and the proportion of income received by those in the lowest three income deciles	The proportion of income going to the lowest three deciles. ¹⁹¹	2010/11	14.5%	2011/12	14.1%
Decreasing the proportion of individuals living in poverty	The proportion of individuals living in private households with an equivalised income of less than 60% of the UK median before housing costs. ¹⁹²	2010/11	15.2%	2011/12	14%

¹⁸⁹ The Scottish Government (2013b). This single year figure cannot be compared to any regional figures published by DWP which are based on three year averages. Due to the volatility of the measure at this level, three years' worth of data are required to produce a reliable estimate. Owing to a change in methodology of the UK-wide material deprivation measure, comparable figures are only available for 2010/11 and 2011/12. The proportion of children in combined low income and material deprivation will not be available for Scotland until the 2012/13 HBAI report is published.

¹⁹⁰ The data source for measuring persistent poverty, the British Household Panel Survey, ended in 2008 and has since been subsumed into the Understanding Society survey. Due to this change in data source more recent persistent poverty figures cannot be produced until four years of comparable data are collected.

¹⁹¹ The Scottish Government (2013c)

¹⁹² The Scottish Government (2013d). Based on the Family Resources Survey.

Indicator	Indicator description	Comparator year		Most recent data	
		Year	Data	Year	Data
Increasing the proportion of school leavers in positive and sustained destinations	School leavers in learning, training or employment. ¹⁹³	2010/11	85.2%	2012/13	89.5%
	School leavers from the most deprived areas in a positive destination nine months after leaving school. ¹⁹⁴	2010/11	73.8%	2012/13	81.6%
Improving levels of educational attainment	<p>Attainment gap between the most deprived and least deprived pupils on leaving school.</p> <p>The average tariff score (ATS)¹⁹⁵ of school leavers in each Scottish Index of Multiple Deprivation quintile has increased in each year since 2007/08. However, a gap remains in the attainment between leavers from the most deprived/least deprived areas.</p>	2010/11	ATS: Most deprived 20% – 250 Least deprived 20% – 531	2011/12	ATS: Most deprived 20% – 268 Least deprived 20% – 552

¹⁹³ The Scottish Government (2013e). Based on Skills Development Scotland

¹⁹⁴ The Scottish Government (2013e).

¹⁹⁵ A tariff score has been calculated based on total attainment on leaving for each young person, using the Unified Points Score System. This system includes all passes and awards each individual has achieved for all levels of formal attainment at SCQF levels 3-7 from throughout their schooling. The Unified Points Score Scale is an extended version of the Universities and Colleges Admissions Service (UCAS) Scottish Tariff points system. The tariff score of a pupil is calculated by simply adding together all the tariff points accumulated from all the different course levels and awards he/she attains.

NORTHERN IRELAND

Introduction

17. The UK Government retains key policy responsibility for fiscal and macro-economic policy but all other policy areas relevant to child poverty are devolved to the Northern Ireland Executive.
18. The Northern Ireland Executive is required (by the Child Poverty Act 2010) to publish a child poverty strategy and to report on progress against that strategy annually. A new Child Poverty Strategy for Northern Ireland will be published in 2014 along with the most recent annual report.

Aims and priorities

19. The Northern Ireland Executive's aim, as stated in the 2011 Northern Ireland Child Poverty Strategy, *Improving Children's Life Chances*,¹⁹⁶ is to provide the opportunity for all children and young people to thrive and to address the causes and consequences of disadvantage.
20. To achieve this, four strategic priorities have been adopted:
 - Ensure, as far as possible, that poverty and disadvantage in childhood does not translate into poorer outcomes for children as they move into adulthood,
 - Support more parents to be in work that pays, or pays better,
 - Ensure the child's environment supports them to thrive,
 - Target financial support to be responsive to family situations.
21. Priority policy areas were identified as:
 - Education
 - Early Years
 - Childcare
 - Health and Social Care
 - Family Support
 - Parental employment and skills
 - Housing
 - Neighbourhoods
 - Financial support

Measures taken

22. The Northern Ireland Executive has led the development of a range of interventions under the banner of 'Delivering Social Change' to deliver a sustained reduction in poverty and associated issues, across all ages; and an improvement in children and young people's health, well-being and life opportunities; thereby breaking the long-term cycle of multi-generational issues.

¹⁹⁶ Northern Ireland Executive (2011)

23. Six signature programmes worth £26 million, announced in October 2012, have been implemented, which:
- Provide literacy and numeracy help to struggling pupils;
 - Provide positive parenting programmes;
 - Establish 10 family support Hubs, 10 Social Enterprise Incubation Hubs and 20 additional nurture units; and provide skills programmes to help young people not in education, employment or training.
24. A seventh signature programme ‘Play and Leisure’ was announced in October 2013 by Ministers, with a potential investment of up to £1.6 million to enhance play and leisure opportunities for children and young people.
25. Bright Start, the Northern Ireland Executive’s Programme for Affordable and Integrated Childcare, launched its first phase in September 2013. Bright Start aims to give children the best possible start in life: better social skills; better performance at school and beyond. Bright Start will also aim to help parents who want to work and are deterred by a lack of quality, affordable childcare.
26. The Child Poverty Outcomes Framework¹⁹⁷ has also been developed to assess which interventions are likely to produce the best outcomes over the long term and the impact of programmes already in place.
27. A full account of the recent measures taken in Northern Ireland can be found in Improving Children’s Life Chances – The Second Year.¹⁹⁸
28. Examples of the positive steps that have been taken in relation to tackling child poverty in Northern Ireland are detailed below:

Initiative and Purpose	Size/Spend	Coverage
Delivering Social Change NEET Signature Programme – a pilot intervention to support young people Not in Education, Employment or Training (NEETs) in developing skills and linking them to the employment market through structured programmes and projects.	£2 million.	Some of the outcomes from the pilot include: <ul style="list-style-type: none"> • family members moving into employment; • young people returning to school to complete their GCSEs; • family members participating in structured training programmes; • improved school attendance; and • improved school performance.

¹⁹⁷ National Children’s Bureau – Northern Ireland (2013)

¹⁹⁸ Northern Ireland Executive (2013)

Initiative and Purpose	Size/Spend	Coverage
		The intention is to replicate this model and increase the target number of families to 720. An up-scaled programme was rolled out from October 2013.
<p>Childcare through the Women's Centre Childcare Fund (WCCF) and the Community Investment Fund (CIF) which assists parents in low income families to increase their skills.</p>	<p>Approximately £3m.</p> <p>Around 88,000 childcare places are provided annually through the 14 women's centres funded under WCCF for parents:</p> <ul style="list-style-type: none"> • in receipt of Income Support/Unemployed and registered for Jobseeker's Allowance; • engaged in part-time paid voluntary/community and development work; • engaged in vocational or educational development or training; • engaged in personal development training; or • who have progressed into employment within the last 12 months following a period of unemployment. <p>CIF funds 34 sub-regional organisations to provide services including training.</p>	Supports parents in low-income families to gain education, training, and job-ready skills to avail of paid employment.
<p>Early Years – Sure Start and Free Pre-School Education to ensure all children have opportunities to achieve their potential through high quality early years education and learning experiences.</p>	Expansion of the Sure Start programme (from the top 20% most disadvantaged wards and Super Output Areas) to the top 25% most disadvantaged wards underway. 39 Sure Start projects are currently operating here.	Early years education in the forms of Sure Start and the Pre-school Education Programme support personal, social and emotional development, promote positive learning dispositions and enhance language, cognitive and physical development in young children.

Initiative and Purpose	Size/Spend	Coverage
	<p>The Executive has committed to ensure that at least one year of free pre-school education is available to every family that wants it. Pre-school providers are required by law to prioritise the admission of children from socially disadvantaged communities.</p>	<p>Sure Start supports children and parents from the most disadvantaged areas to ensure children can flourish at home and when they get to school. All Sure Start projects now provide a Developmental Programme for two to three year olds which aims to enhance social and emotional development, build on communication and language skills and encourage imagination through play.</p> <p>At the conclusion of 2012/13 admissions process, 99.8% of children whose parents engaged fully with the two stage process received the offer of a funded pre-school place in 2013/14.</p>
<p>Extended Schools Programme</p> <p>The Extended Schools programme enables those schools that draw pupils from some of the most disadvantaged communities to provide a range of services and programmes outside the normal school day to help meet the needs of pupils, their families and wider communities.</p>	<p>Across the current spending period almost £36m has been provided to eligible schools (of which £12.4m of additional funding was provided in 2013/14).</p>	<p>The Extended Schools programme continues to help ensure that every learner – but particularly children and young people from some of the most disadvantaged communities – fulfils her or his potential at each stage of development.</p> <p>Almost 500 schools have provided additional learning opportunities and a wide range of interventions and support activities leading to improvements in educational outcomes and the personal and social well-being of pupils.</p>

Initiative and Purpose	Size/Spend	Coverage
<p>Neighbourhood Renewal Programme aims to bring together the work of all government departments in partnership with local people to tackle disadvantage and deprivation in all aspects of everyday life.</p>	<p>Neighbourhoods in the most deprived 10% of wards across Northern Ireland were identified using the Noble Multiple Deprivation Measure. Following extensive consultation, this resulted in a total of 36 areas, and a population of approximately 280,000 (1 in 6 people in Northern Ireland), being targeted for intervention.</p>	<p>Programmes on the ground address the social and economic problems faced by deprived neighbourhoods, including high levels of worklessness, low levels of skills and lack of educational attainment. One of the aims of the renewal strategy is to close the gap between Neighbourhood Renewal Areas and non-Neighbourhood Renewal Areas. This is measured on an annual basis by a number of key outcome indicators relating to education, health, crime and worklessness. The 2012 and 2013 Outcomes Indicator Reports are available online.</p>
<p>Derry 2020 Project – a collaborative city wide project which provides community based education and training programmes to participants with no or basic qualifications to prepare them for employment.</p>	<p>The Project is run on a partnership basis across the four Neighbourhood Renewal Areas in Derry/Londonderry. (Neighbourhoods in the most deprived 10% of wards across Northern Ireland were identified using the Noble Multiple Deprivation Measure).</p>	<p>Between April 2011 and November 2012, 2,838 people participated in the programme. Between 1 June 2011 and 30 August 2012:</p> <ul style="list-style-type: none"> • 113 people who were formally unemployed obtained permanent jobs; • 263 businesses were advised/assisted; • 1,093 training places were created/sustained; • 926 people obtained a qualification on completion of formal training; and • 1,564 people benefited from the project to promote personal and social development.

Initiative and Purpose	Size/Spend	Coverage
<p>Mortgage Debt Advice Service – provides specialist housing and debt advice to households who are having difficulty paying their mortgage.</p>	<p>Up to January 2013, the Service helped 1,358 client households, 151 of which were single parent households, 281 were couples with children and 245 were separated households. The number of dependent children living in these households totalled 956.</p>	<p>354 households assisted by the service in 2012/13 were directly prevented from being made homeless.</p>
<p>Youth Work – provision of non-formal learning opportunities that promote personal and social development and help young people to overcome barriers to learning.</p>	<p>In 2013/14, the Department of Education provided £33 million resource and £6.4 million capital to support youth work.</p>	<p>The most recent figures estimate that in 2012/13 over 182,000 young people participated in registered youth provision, undertaking a variety of personal and social development activities.</p>
<p>Community Education Initiatives Programme – to support a new community education initiatives programme with the aim of addressing the high levels of educational underachievement in disadvantaged communities.</p>	<p>Funding of £2 million in 2013/14 to community-based initiatives which have a specific focus on positive educational outcomes. The overarching aim is to join up community-based and school-based activity in a more coherent way, promoting partnership working between voluntary and community organisations and schools in order to provide educationally-focused programmes in communities with particular concentrations of educational disadvantage.</p>	<p>Funding supports activities in Neighbourhood Renewal Areas and a number of other Super Output Areas (SOAs) experiencing high levels of educational deprivation which are often missed by existing funding streams and will directly and indirectly support learning/education of children from lower income/deprived backgrounds within these areas.</p>

Initiative and Purpose	Size/Spend	Coverage
Free School Meals/ School Uniform Grants – to help support families that are experiencing food poverty and to reduce the financial and material barriers facing children from low income families to participate in and remain in education and obtain formal qualifications.	Funding of £39.1 million planned to provide nutritionally balanced free school meals (with an additional £4.1 million for nutritional standards) and £4.2m planned for school uniform grants.	Meals provided in schools must comply with the 'Nutritional Standards for School Meals' which ensures that children receive healthy, nutritious meals which ultimately contribute to enhanced health outcomes. Approximately 82,000 (provisional figure) children/young people from lower-income families are entitled to nutritious free school meals with slightly lower numbers in receipt of the school uniform grant directly addressing the financial and material barriers faced by low-income households/children in poverty.

Progress against 2011 Child Poverty Strategy targets (UK)

29. The most recent figures for the statutory targets in the Child Poverty Act 2010 are set out below:

Indicator	Indicator description	Comparator year		Most recent data	
		Year	Data	Year	Data
Act target: Relative Low Income	Proportion of children living in households where income is less than 60% of median household income for the financial year (2020 UK target is less than 10%).	Three years ending 2010/11	24%	Three years ending 2011/12	23% ¹⁹⁹
		2010/11	21%	2011/12	22% ²⁰⁰
Act target: Absolute Low Income	Proportion of children living in households where income is less than 60% of median household income in 2010/11 adjusted for prices (2020 UK target less than 5%).	Three years ending 2010/11	22%	Three years ending 2011/12	24% ²⁰¹
		2010/11	21%	2011/12	25% ²⁰²

¹⁹⁹ DWP (2013b)

²⁰⁰ Department for Social Development of Northern Ireland (2013). This single year figure cannot be compared to the regional three year average figure published by DWP.

²⁰¹ DWP (2013b)

²⁰² Department for Social Development of Northern Ireland (2013). This single year figure cannot be compared to the regional three year average figure published by DWP.

Indicator	Indicator description	Comparator year		Most recent data	
		Year	Data	Year	Data
Act target: Combined Low Income and Material Deprivation	Proportion of children who experience material deprivation and live in households where income is less than 70% of median household income for the financial year (2020 UK target is less than 5%).	2010/11	11%	2011/12	12% ²⁰³
Act target: Persistent Poverty	Proportion of children living in households where income is less than 60% of median household income for at least three out of the previous four years.	Northern Ireland specific data in relation to persistent poverty is not available. No new figures for persistent poverty have been published since the last Strategy and therefore progress has not been measured. ²⁰⁴			

30. The Annual Reports published by the Northern Ireland Executive focus on progress made against the UK targets.
31. The Lifetime Opportunities Monitoring Framework Update Report²⁰⁴ presents a range of statistical targets and indicators endorsed by the Northern Ireland Executive Sub-Committee on Poverty and Social Inclusion in support of the Executive's anti-poverty and social inclusion strategy 'Lifetime Opportunities'. In addition to the child poverty targets, the Monitoring Framework contains poverty and social inclusion indicators and public service agreement targets.

²⁰³ Department for Social Development of Northern Ireland (2013). This is a single-year figure and cannot be compared to any regional figure published by DWP which are based on three-year averages. Due to the volatility of the measure at this level, three years' worth of data are required to produce a reliable estimate. Owing to a change in methodology of the UK wide material deprivation measure, comparable figures are only available for 2010/11 and 2011/12. The proportion of children in combined low income and material deprivation will not be available for Northern Ireland until the 2012/13 HBAI report is published.

²⁰⁴ Office of the First Minister and Deputy First Minister of Northern Ireland – Research Branch (2013)

Annex C: Local areas

1. Different areas will face different challenges in tackling child poverty – this is clear at a regional level from the results in Table 1 below.

Table 1: Proportion of children in relative and absolute poverty by region and country, United Kingdom

	Relative Poverty	Absolute Poverty
Region	09/10-11/12 (3-year average)	
North East	21%	21%
North West	21%	21%
Yorkshire and the Humber	23%	23%
East Midlands	17%	17%
West Midlands	23%	23%
East of England	14%	14%
London	17%	17%
South East	13%	12%
South West	14%	14%
Wales	23%	24%
Scotland	17%	17%
Northern Ireland	23%	24%
United Kingdom	18%	18%

Source: HBAI 2011/12

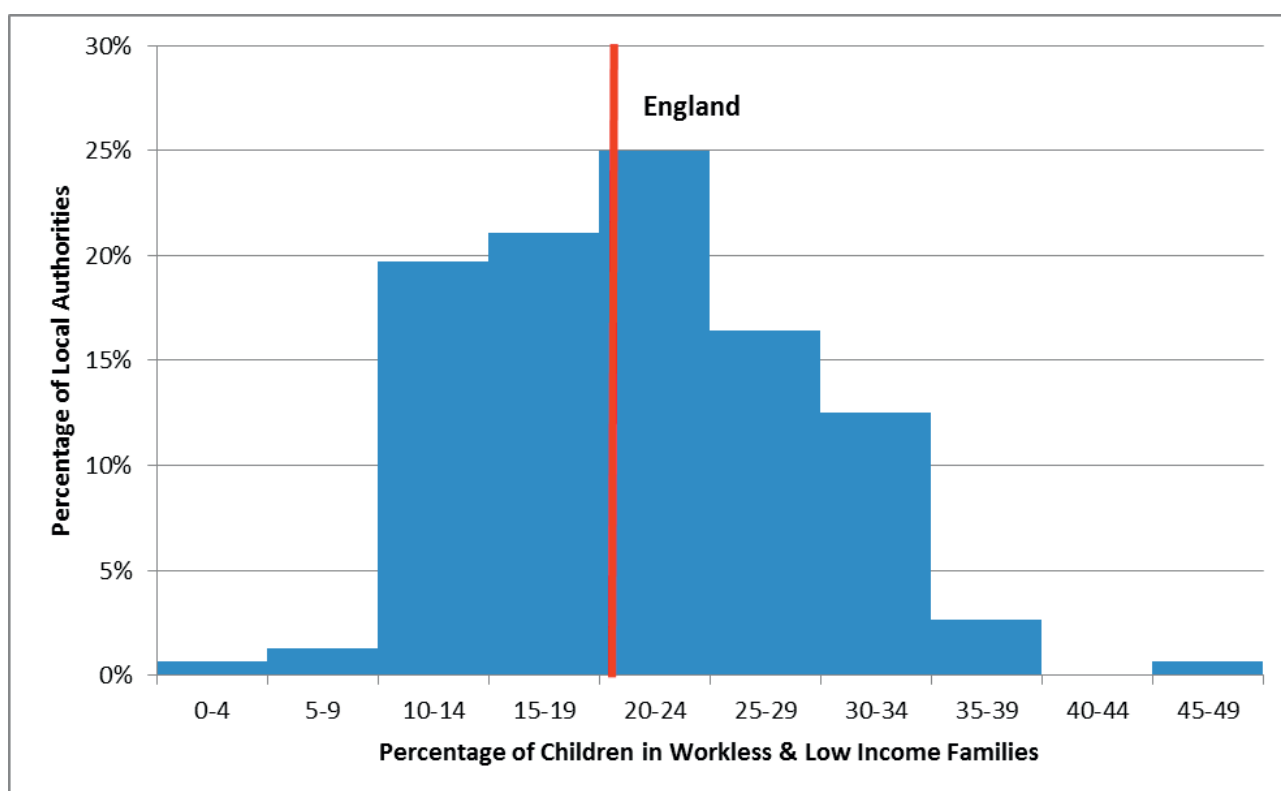
2. Those working in local areas are best-placed to assess local needs. It is important to acknowledge the different challenges that different areas face.
3. To tackle child poverty, local areas will need to tackle the root causes of poverty now and across generations. This annex sets out how the scale of the challenge differs between areas against the drivers of poverty set out in the Strategy: worklessness; larger families; one-parent families; parental ill-health; low parental qualifications and children's educational attainment (alongside supporting life chances indicators on children with special educational needs and the early years).

4. Results are primarily presented based on comparable data for the 152 English local authorities. For some drivers, directly relevant data is not available at a local level – where available, results from proxy data are discussed.

Worklessness and low income

5. These results show the **percentage of children in workless or low income families**, based on either receipt of out-of-work benefits, or tax credits together with relative low income.²⁰⁵
6. The overall results for England in 2011 show **20%** of children in such low income families. Chart 1 below shows the distribution of the 152 English local authorities around this average.

Chart 1: Percentage of local authorities by the proportion of children living in a workless or a low-income family



7. Results show that nearly two-thirds of local authorities have between 15-30% of children in workless or low income families, and nearly all (95%) are in the range from 10-35%. Table 2 below gives results from the authorities with the highest and lowest rates.

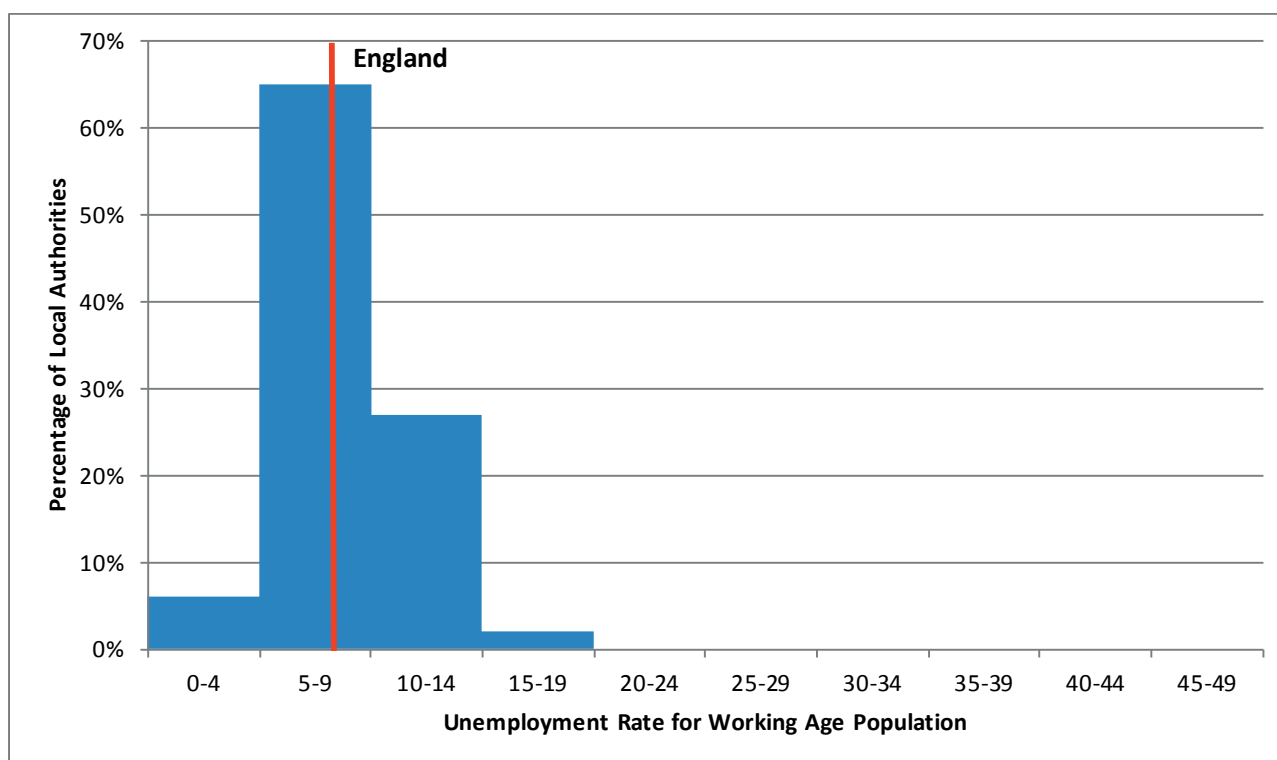
Table 2: Local authorities with the highest and lowest proportions of children in workless or low income families

Highest 5		Lowest 5	
Tower Hamlets	46%	Isles of Scilly	3%
Islington	39%	Wokingham	7%
Westminster	37%	Rutland	8%
Manchester	37%	Windsor and Maidenhead	10%
Hackney	36%	Surrey	10%

²⁰⁵ HMRC (2011)

8. Whilst there is some disparity between local authorities against this indicator, results show a fairly even spread. There is however some regional disparity, with higher levels on average in London and in the North of England.
9. Expanding on these results we can look to **unemployment rates for the working-age population**, based on Annual Population Survey data.²⁰⁶
10. The overall results for England at December 2013 show an unemployment rate of around **8%** against this measure. Chart 2 below shows the distribution of the 152 English local authorities around this average.

Chart 2: Percentage of English local authorities by the unemployment rate for the working-age population



11. Results show that a large majority (88%) of local authorities have unemployment rates between 5-12%. Table 3 below gives results from the authorities with the highest and lowest rates.

Table 3: Local authorities with the highest and lowest unemployment rate for the working-age population

Highest 5		Lowest 5	
Birmingham	16%	Poole	2%
Hartlepool	16%	Rutland	2%
Leicester	15%	Windsor and Maidenhead	3%
Kingston upon Hull	14%	Bracknell Forest	3%
Barking and Dagenham	14%	Wokingham	4%

²⁰⁶ Results from Annual Population Survey data for year to December 2013, drawn from nomisweb.co.uk at 29-05-2014.

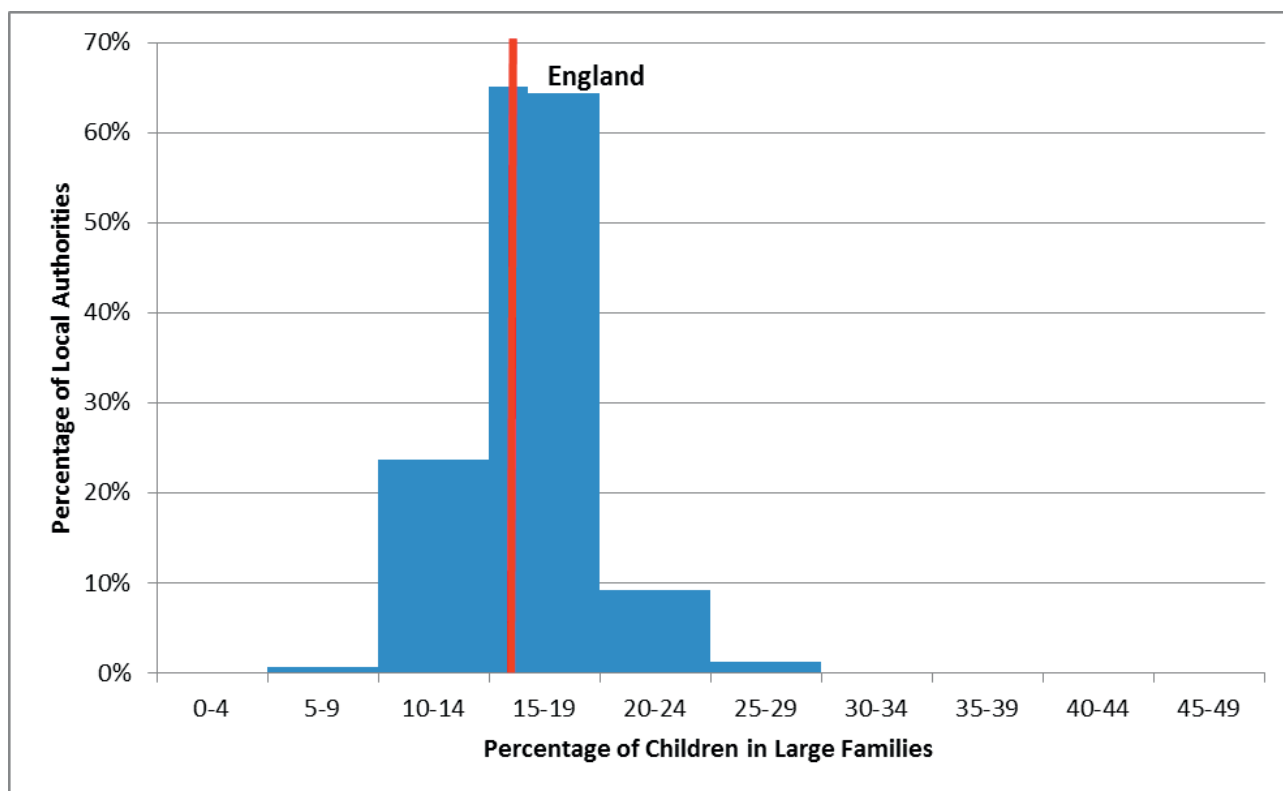
12. Again, there is some evidence for regional disparity against this indicator, with areas in the Midlands having higher unemployment rates than the rest of the country.

Larger families

13. These results show the **percentage of families with three or more children**, based on Census 2011 results.²⁰⁷

14. The overall results for England show **16%** of children in such families. Chart 3 below shows the distribution of the 152 English local authorities around this average.

Chart 3: Percentage of local authorities by the proportion of children in larger families



15. Results show that nearly two-thirds of local authorities have between 15-20% of children in large families, and nearly all (98%) are in the range from 10-25%. Table 4 below gives results from the authorities with the highest and lowest rates.

Table 4: English local authorities with the highest and lowest proportions of children living in large families

Highest 5		Lowest 5	
Tower Hamlets	28%	City of London	9%
Newham	25%	Isles of Scilly	10%
Birmingham	24%	North Tyneside	12%
Bradford	24%	South Tyneside	12%
Blackburn with Darwen	24%	Durham	12%

²⁰⁷ ONS (2013d)

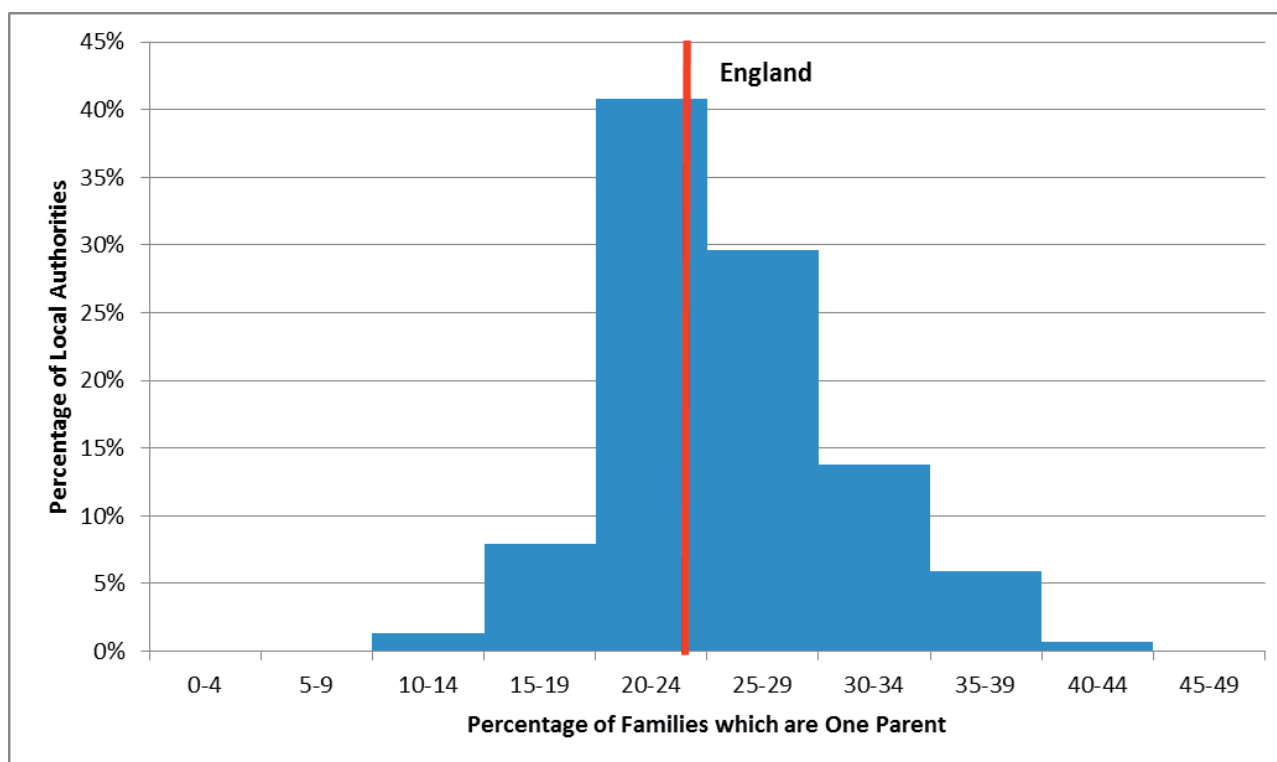
16. Data suggests that there is very little regional disparity across this indicator.

One-parent families

17. These results show the **percentage of families which are one-parent families**, based on Census 2011 results.²⁰⁸

18. The overall results for England show **24%** of children in such families. Chart 4 below shows the distribution of the 152 English local authorities around this average.

Chart 4: Percentage of local authorities by the proportion of children in one-parent families



19. Results show that 70% of local authorities have between 20-30% of children in one-parent families, and that a large majority (92%) of local authorities are in the range from 15-35%. Table 5 below gives results from the authorities with the highest and lowest rates.

Table 5: Local authorities with the highest and lowest proportions of children living in one-parent families

Highest 5		Lowest 5	
Islington	41%	Isles of Scilly	11%
Liverpool	39%	Wokingham	13%
Lambeth	39%	Surrey	15%
Knowsley	37%	Windsor and Maidenhead	16%
Hackney	37%	Richmond upon Thames	16%

²⁰⁸ ONS (2012)

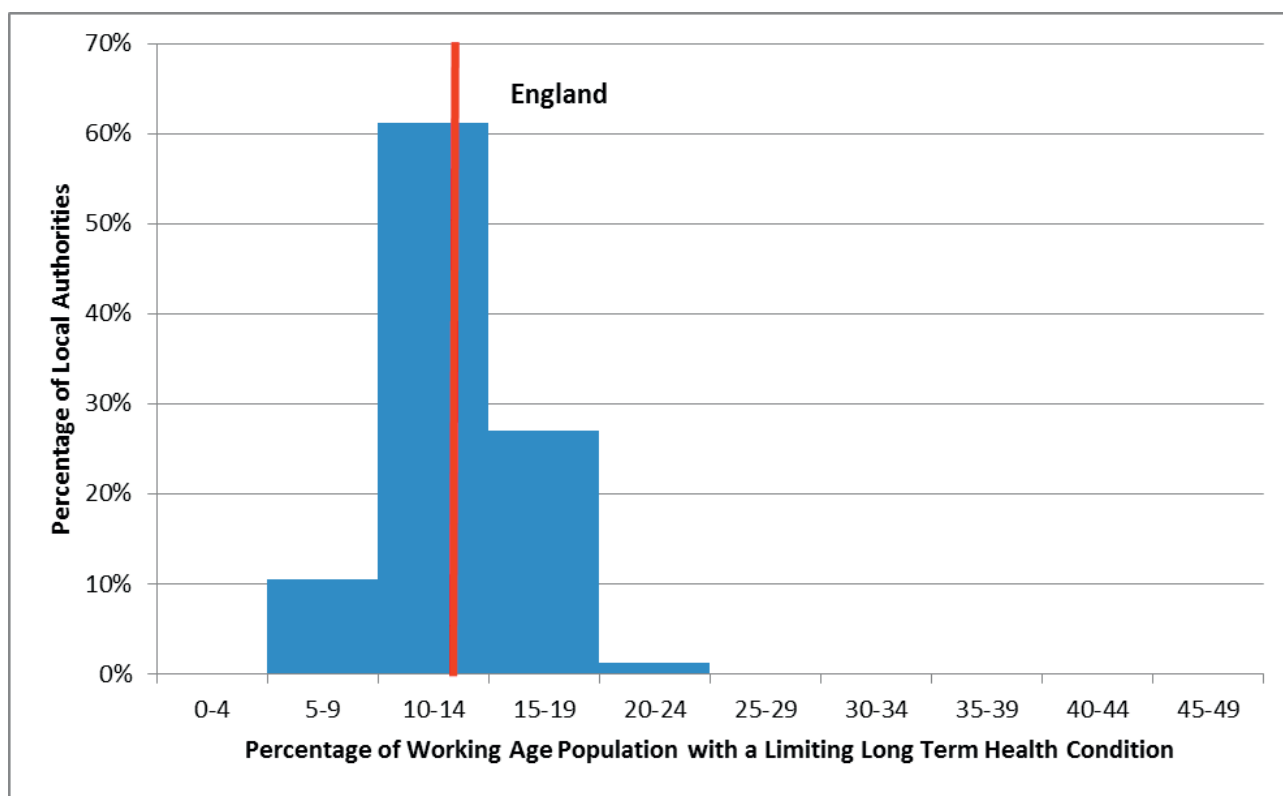
20. The majority of local areas face relatively similar rates. At a regional level there are marginally higher levels of one-parent families in London and the North of England.

Parental ill health

21. Measuring poor health accurately is extremely challenging and reliable data are not currently available at a local level relating to health for all parents. Instead, statistics are presented showing the **percentage of the working-age population reporting a long-standing limiting health condition** based on Census 2011 data.²⁰⁹

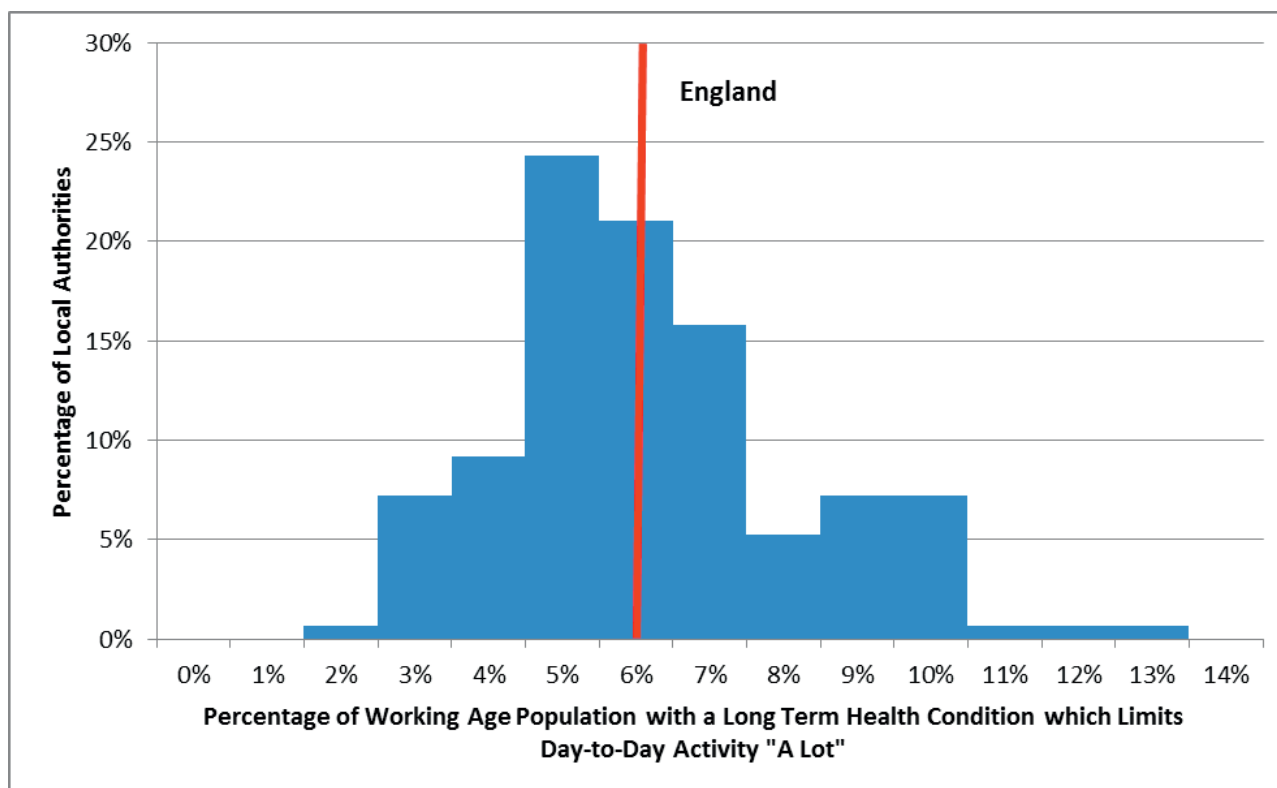
22. The overall results for England show **13%** of those aged 16-64 reporting a long-term health problem or disability which limits day-to-day activity and **6%** reporting a condition which limits activity a lot. Charts 5 and 6 below show the distribution of the 152 English local authorities around these averages.

Chart 5: Percentage of local authorities by the proportion of working-age adults who have a limiting long term health condition



²⁰⁹ ONS (2013c)

Chart 6: Percentage of local authorities by the proportion of working-age adults who have a long term health condition limiting day-to-day activity a lot



23. These results show little variation in this indicator with a large majority of local authorities (88%) in the range from 10-20% of working-age adults with a long-standing limiting health condition and 90% reporting working-age adults with a condition limiting day-to-day activity a lot in a range from 4-10%. Tables 6 and 7 below give results from the authorities with the highest and lowest rates.

Table 6: Local authorities with the highest and lowest proportion of working-age adults who have a limiting long term health condition

Highest 5: Limited		Lowest 5: Limited	
Blackpool	21%	City of London	7%
Knowsley	20%	Isles of Scilly	7%
Barnsley	19%	Windsor and Maidenhead	8%
Stoke-on-Trent	18%	Wokingham	8%
Hartlepool	18%	Richmond upon Thames	8%

Table 7: Local authorities with the highest and lowest proportion of working-age adults with a long term health condition limiting day-to-day activity a lot

Highest 5: Limited a Lot		Lowest 5: Limited a Lot	
Knowsley	13%	Isles of Scilly	2%
Blackpool	12%	City of London	3%
Liverpool	11%	Wokingham	3%
Barnsley	10%	Windsor and Maidenhead	3%
Hartlepool	10%	Richmond upon Thames	3%

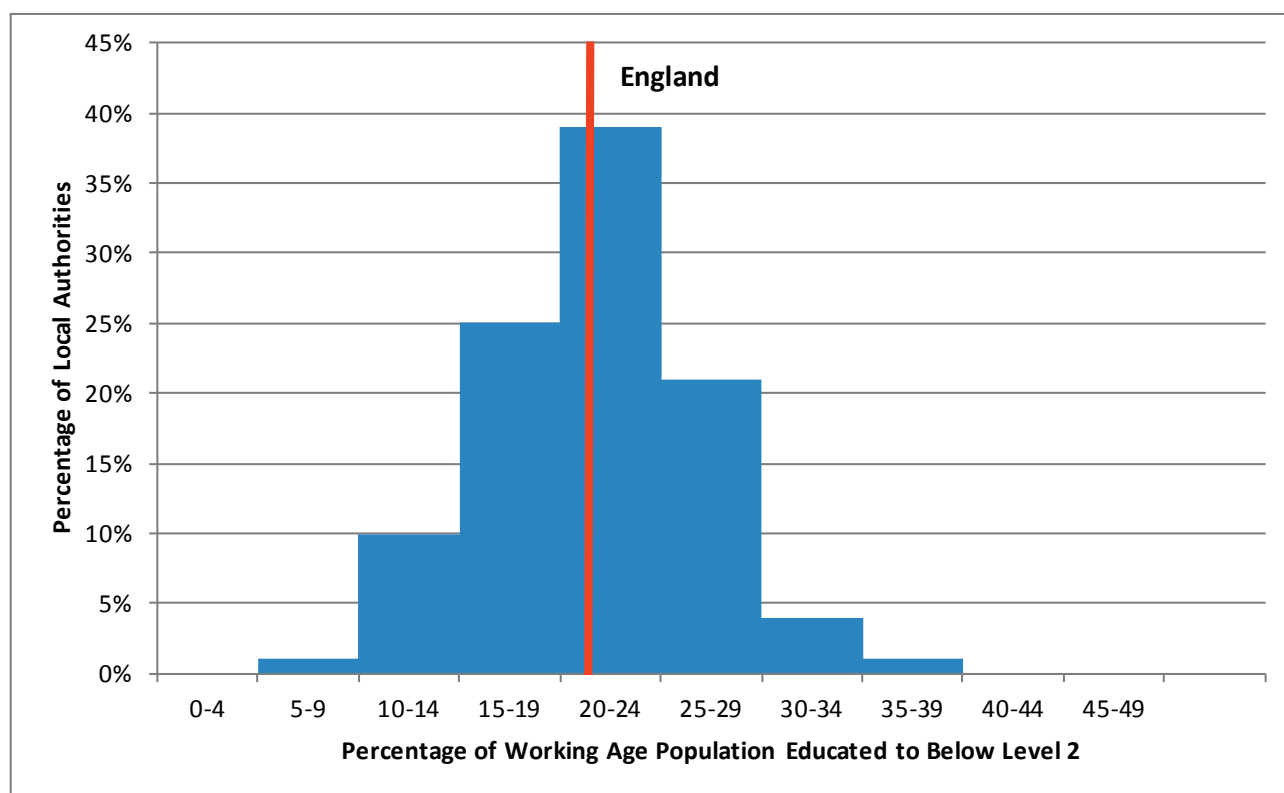
24. Whilst there is relatively little variation in these indicators across local areas, at a regional level there is evidence that areas in the North and Midlands are more likely to have higher levels of reported long-standing limiting health conditions and disabilities than the rest of the country.

Low parental qualifications

25. Reliable data is not available at a local level relating to qualification levels for all parents. Instead, statistics are presented showing the **percentage of the working-age population qualified to below Level 2** ²¹⁰ based on 2013 Annual Population Survey data.²¹¹

26. The overall results for England show 21% of those aged 16-64 educated to below Level 2. Chart 7 below shows the distribution of the 152 English local authorities around this average.

Chart 7: Percentage of local authorities by the proportion of working-age adults whose highest educational qualification is below level 2



27. The majority of local authorities (90%) have results in the range from 15-35% and so have at minimum two-thirds of the working-age population educated to at least Level 2. Table 8 below gives results from the authorities with the highest and lowest rates.

²¹⁰ Those qualified to Level 2 or above have achieved at least five GCSEs at grades A*-C, an Intermediate GNVQ, two or three AS levels, or an NVQ level 2 or equivalent vocational qualification (or a qualification at level 3 or above). This data does not include those with 'other qualifications'.

²¹¹ Results from Annual Population Survey data for year to December 2013, drawn from nomisweb.co.uk at 29-05-2014

Table 8: Local authorities with the highest and lowest proportion of working-age adults whose highest educational qualification is below level 2

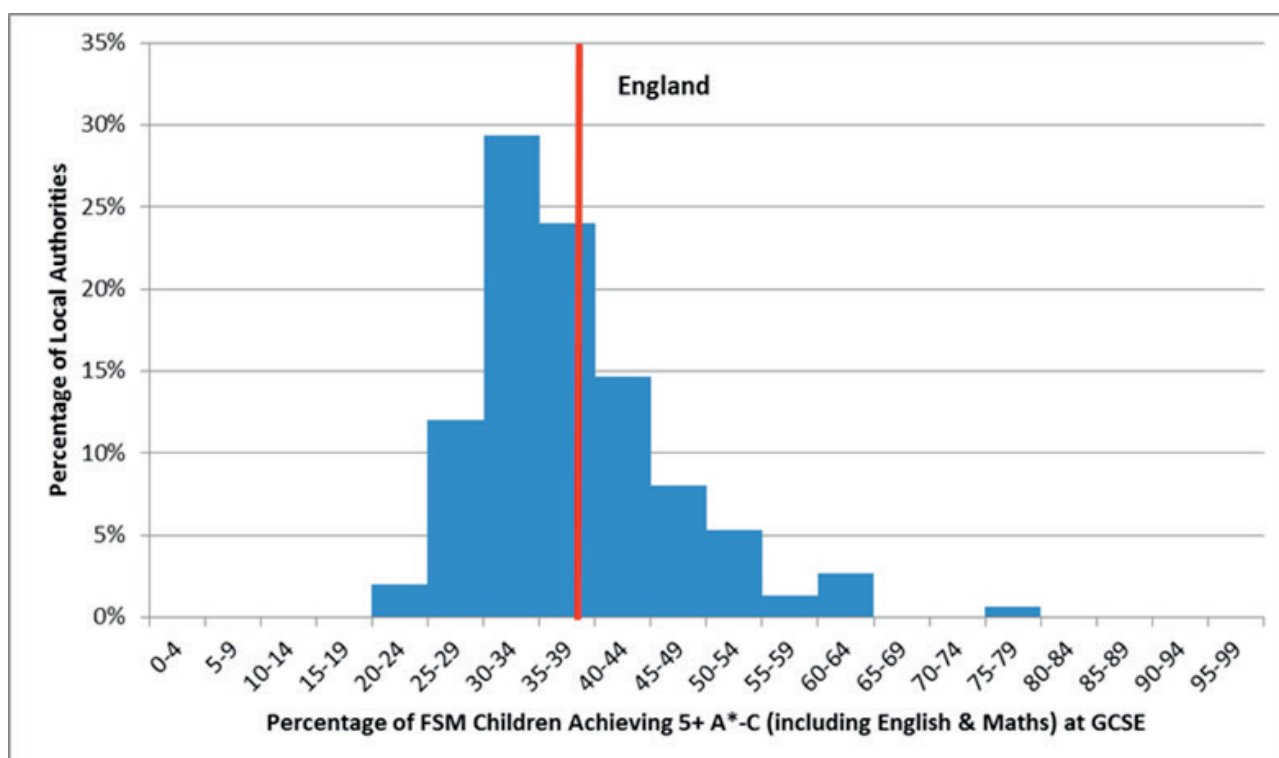
Highest 5		Lowest 5	
Wolverhampton	37%	Richmond upon Thames	8%
Sandwell	34%	Kingston upon Thames	10%
Barking and Dagenham	31%	Windsor and Maidenhead	11%
Birmingham	30%	Wandsworth	11%
Stoke-on-Trent	30%	Harrow	11%

28. At a regional level there is evidence to suggest that areas in the Midlands are more likely to have higher proportions of low-qualified working-age adults than the National average.

Educational attainment

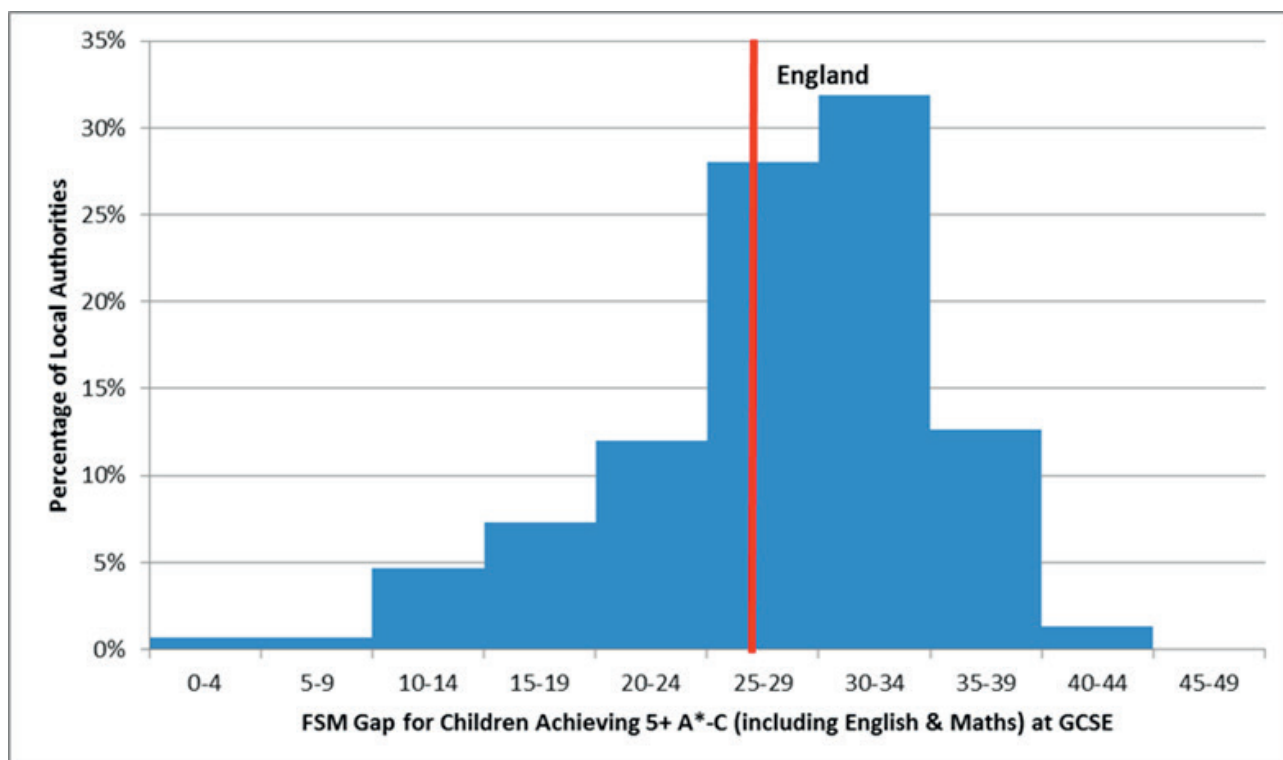
29. These results show the **percentage of children eligible for free school meals (FSM) achieving 5+ A*-C grades (including English and mathematics) GCSEs** together with the attainment gap with all other pupils based on results from 2012/13.²¹²
30. The overall results for England show **38%** of all FSM eligible children achieving at this level together with an FSM attainment gap of **27%**. Charts 8 and 9 below show the distribution of the 152 English local authorities around these averages.

Chart 8: Percentage of local authorities by the proportion of FSM children who achieved 5+ A*-C (including English and maths) at GCSE



²¹² DfE (2014a)

Chart 9: Percentage of local authorities by FSM attainment gap for children who achieved 5+ A*-C (including English and maths) at GCSE



31. Results show that around four-fifths of local authorities report rates in the range from 25-45% for all FSM eligible children and, for the FSM attainment gap, 85% report in the range from 20-40 percentage points. Tables 9 and 10 below give results from the authorities with the highest and lowest rates.

Table 9: Local authorities with the highest and lowest proportions of FSM children achieving 5+ A*-C (including English and maths) at GCSE

Highest 5: FSM children		Lowest 5: FSM children	
Kensington and Chelsea	77%	Barnsley	22%
Westminster	62%	Portsmouth	23%
Southwark	60%	South Gloucestershire	24%
Tower Hamlets	60%	North Lincolnshire	25%
Lambeth	60%	Northumberland	25%

Table 10: Local authorities with the highest and lowest FSM attainment gap for children achieving 5+ A*-C (including English and maths) at GCSE

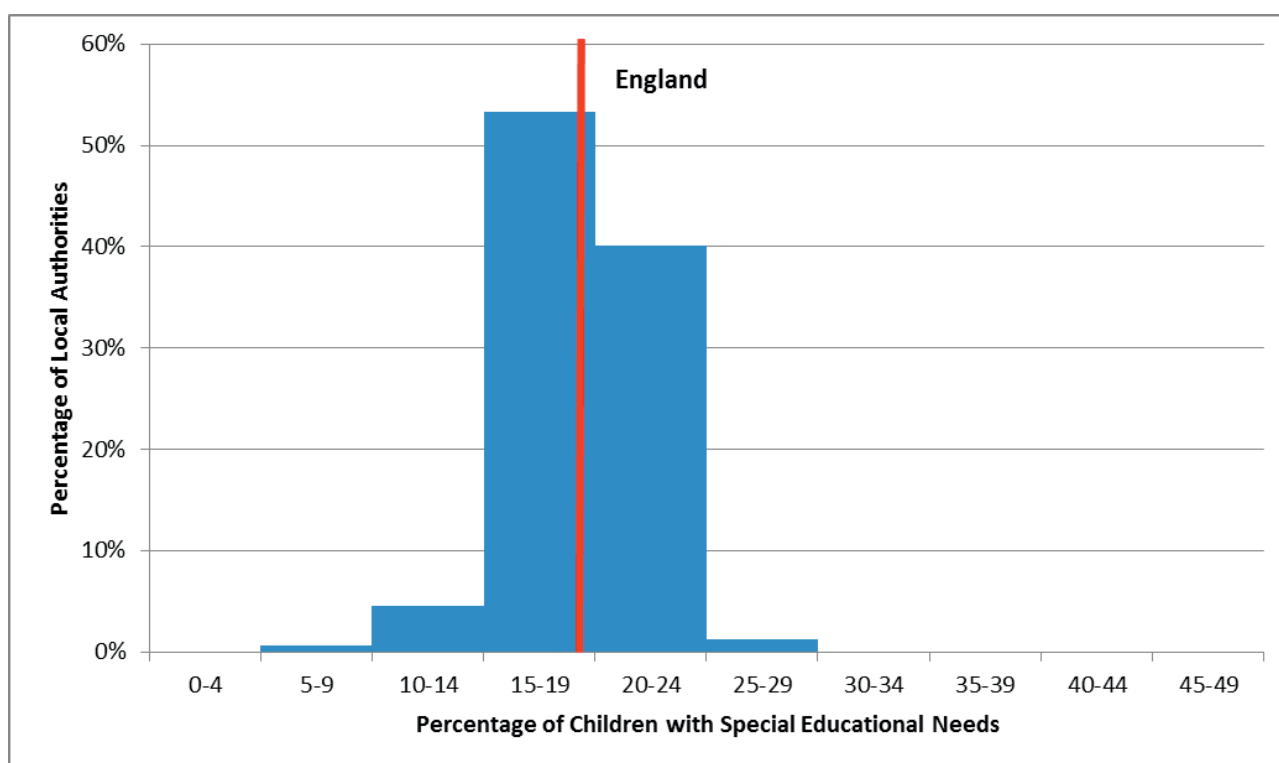
Highest 5: FSM attainment gap		Lowest 5: FSM attainment gap	
Wokingham	43% pts	Kensington and Chelsea	4% pts
Buckinghamshire	40% pts	Southwark	8% pts
Cheshire East	39% pts	Lambeth	10% pts
Southend-on-Sea	39% pts	Tower Hamlets	10% pts
Sutton	38% pts	Westminster	13% pts

32. Performance in London is better than in the rest of the country, particularly for FSM pupils. The difference has grown over recent years. In London in 2012/13 the proportion of pupils eligible for FSM achieving five A*-C GCSEs (including English and maths) was 51%, compared to the national average of 38%. The FSM attainment gap in London is also narrower than in the rest of the country.

Special Educational Needs

33. These results represent the **percentage of all pupils with Special Educational Needs (with and without statements), based on where the pupil attends school** as at January 2013.²¹³
34. The overall results for England show **19%** of children with Special Educational Needs. Chart 10 below shows the distribution of the 152 English local authorities around this average.

Chart 10: Percentage of local authorities by the percentage of children with Special Educational Needs



35. These results show the vast majority of local authorities (93%) in a narrow range of 15-25% of children with special educational needs. Table 11 below gives results from the authorities with the highest and lowest rates, which sit outside this range.

Table 11: Local authorities with the highest and lowest proportion of children with Special Educational Needs

Highest 5		Lowest 5	
Knowsley	26%	City of London	8%
Lambeth	25%	Kensington and Chelsea	11%
Islington	24%	Rutland	12%
Westminster	24%	Kingston upon Thames	13%
Waltham Forest	24%	Isles of Scilly	13%

²¹³ DfE (2013d)

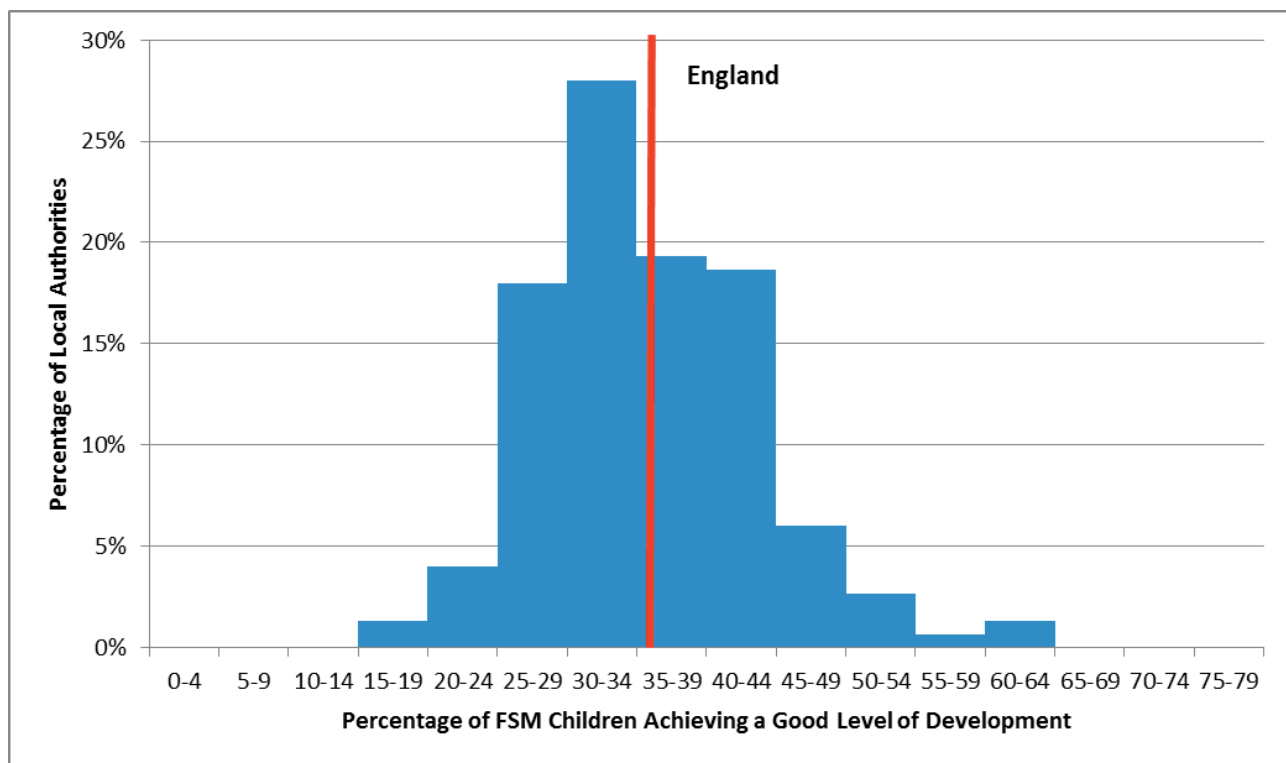
36. There are no strong regional disparities in this indicator with the majority of local areas facing very similar rates.

Early years

37. The early years are an important period in a child's development. Parental involvement in their child's learning is a powerful way to improve attainment. Reliable data is not available at a local level relating to home learning environment conditions for children. Instead, statistics are presented showing the **percentage of FSM eligible children achieving a good level of development in Early Years Foundation Stage Profile teacher assessments** based on data from 2013.²¹⁴

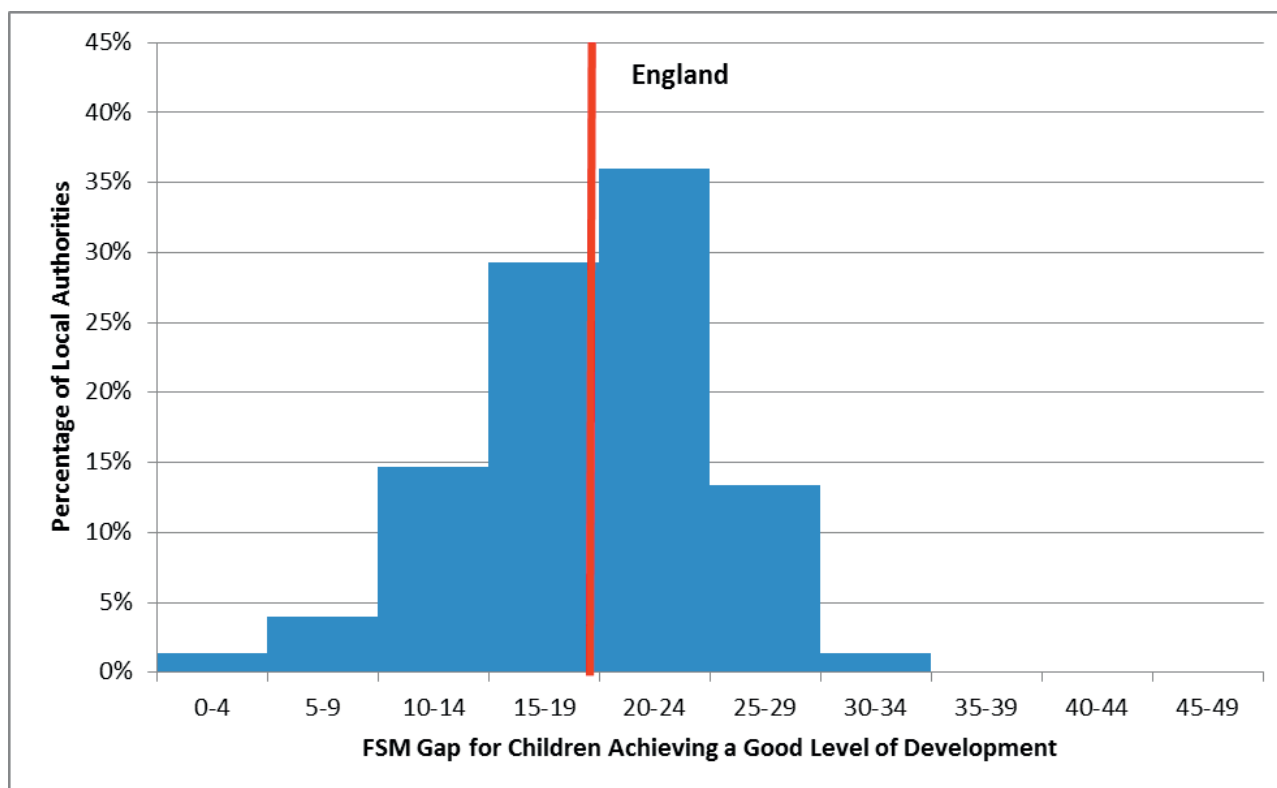
38. The overall results for England show **36%** of children achieving at this level with a **19%** point FSM gap. Charts 11 and 12 below show the distribution of the 152 English local authorities around these averages.

Chart 11: Percentage of local authorities by the proportion of FSM children achieving a good level of development



²¹⁴ DfE (2013b)

Chart 12: Percentage of local authorities by the FSM gap for children achieving a good level of development



39. These results show a large majority of local authorities (90%) in the range from 25-50% of FSM children achieving this level of development. The vast majority (93%) report FSM gaps in the range from 10-30 percentage points. Tables 12 and 13 below give results from the authorities with the highest and lowest rates.

Table 12: Local authorities with the highest and lowest proportion of FSM children achieving a good level of development

Highest 5		Lowest 5	
Greenwich	60%	Warrington	18%
Lewisham	60%	Wigan	19%
Hackney	55%	Gateshead	20%
Newham	54%	Leicester	21%
Brent	52%	Richmond upon Thames	21%

Table 13: Local authorities with the highest and lowest FSM gap for children achieving a good level of development

Lowest 5		Highest 5	
Newham	2% pts	Rutland	34% pts
Hackney	3% pts	Warrington	31% pts
Tower Hamlets	5% pts	Solihull	29% pts
Waltham Forest	5% pts	York	29% pts
Brent	5% pts	North Somerset	28% pts

40. As for educational attainment results, performance in London for FSM children is better than in the rest of the country against this indicator, and the FSM gap is narrower.

Annex D: Vulnerable groups

1. The Child Poverty Act 2010 requires us to consider which groups of children appear to be '*disproportionately affected by socio-economic disadvantage*'²¹⁵, and to consider the likely impact of policies to tackle poverty on children within each of those groups.
2. It is clear that some vulnerable groups are at greater risk of poverty. They are often small groups not captured in our measures that face specific challenges. We want to monitor these groups to see if our policies help decrease poverty and improve their educational attainment.
3. We will track some of these groups using the Household Below Average Income (HBAI) publication which shows rates of child poverty by different subgroups of children, including:
 - Children with a disabled parent;
 - Children in one parent families;
 - Children in large families (with three or more children); and
 - Children of certain ethnic groups.
4. For some groups we will monitor the attainment and/or the population of the group over time – for example looked after children, Gypsy/ Roma/ Traveller children, teenage parents and refugees.
5. For other groups we will explore whether it is possible to merge existing data sources to measure the size of the group – for example children of parents with addiction and children of ex-offenders.
6. We have met with representatives of these vulnerable groups as part of our consultation.
7. The following tables detail the groups of children that we consider to be especially vulnerable to poverty now, their risk of future poverty and what we are doing to tackle these poverty risks.

²¹⁵ Section 9(6) Child Poverty Act 2010

Group	Number of UK children in poverty	Vulnerability to poverty now	Risk of poor children growing up to be poor adults.	What we are doing
Children in one-parent families	700,000 ²¹⁶	Children in one parent families are 1.4 times more likely to be in poverty than children of couple parents. ²¹⁷	No information available.	Our policies to get one parent families into work and out of poverty are in chapter 1.
Children in larger families (three or more children)	800,000 ²¹⁸	Children in families with three or more children are 1.7 times more likely to be in poverty than children in smaller families. ²¹⁹	Children in larger families tend to have lower educational attainment. ²²⁰ Evidence suggests that this is due to differences in the quality of the home environment. ²²¹	Our policies to get larger families into work and out of poverty are in chapter 1.
Children with a disabled parent	500,000 poor children live in families that has a disabled adult. ²²²	Children living with one or more disabled adults are more likely to be in poverty (22% vs. 16%). ²²³	Some of these children have caring responsibilities for their parents. Young Carers have lower GCSE attainment and more likely to be NEET age 16-19. ²²⁴	Our policies to enable disabled people to get into work and out of poverty are in chapter 1. Our policies to help these children to do better at school are in chapter 3.

²¹⁶ DWP (2013b)

²¹⁷ DWP (2013b)

²¹⁸ DWP (2013b)

²¹⁹ DWP (2013b)

²²⁰ Gregg, P., Propper, C. and Washbrook, E (2007)

²²¹ Corak, M. (2001)

²²² DWP (2013b)

²²³ DWP (2013b)

²²⁴ The Children's Society (2013)

Group	Number of UK children in poverty	Vulnerability to poverty now	Risk of poor children growing up to be poor adults.	What we are doing
African/ Caribbean/ Black British	0.1m ²²⁵	These groups are more likely to be poor, particularly Bangladeshi and Pakistani children. ²²⁶	Most of these ethnic groups do better at school than average, especially Chinese children (77% of those on free school meals get five A*-C GCSEs). ²²⁸	Our policies that tackle worklessness and low earnings (in chapter 1) and our policies to help poor children to do better at school, such as the Pupil Premium (in chapter 3), will help poor children from all ethnic backgrounds.
Indian	0.1m			
Bangladeshi	0.1m	We know Pakistani, Bangladeshi and Black African face greater difficulties in accessing work compared to the majority of the population. ²²⁷	Only 37% of boys from a Black Caribbean background on free school meals get 5 A*-C GCSEs. ²²⁹	Schools are also held to account for the progress and attainment of pupils from ethnic minority groups through Ofsted inspections.
Pakistani	0.2m			
Chinese	<50,000			
Any other Asian Background	<50,000			
Any other ethnic minority group	0.1m			

²²⁵ DWP (2013b). All ethnicity figures are based on a three-year average of HBAI data for the period 2009/10 to 2011/12

²²⁶ DWP (2013b)

²²⁷ Heath, A. and Cheung, S. (2006)

²²⁸ DfE (2014a) (including maths and English)

²²⁹ DfE (2014a) (including maths and English)

Group	Number of UK children in poverty	Vulnerability to poverty now	Risk of poor children growing up to be poor adults.	What we are doing
Gypsy, Roma, Traveller of Irish Heritage (GRT)	Unknown	Often face barriers to employment because of lower qualification levels. ²³⁰	Have substantially lower levels of attendance and educational attainment compared to national levels. ²³¹	As above. Most GRT pupils are benefiting from the pupil premium. Poor attendance is a real barrier to improving attainment. We are giving urgent consideration to how we can most quickly improve the school attendance rates of GRT pupils. Gypsy and Traveller parents receive specialist support via the Work Programme.
Children with parents with a drug/alcohol dependency	100,000-200,000 children have parents who are problem drug users. ²³²	Users of drugs ²³³ are significantly less likely to be employed than other working age adults. ²³⁴	No education data. Parental substance misuse or dependences can have serious consequences for children, including neglect, educational problems, emotional difficulties, abuse, and the possibility of becoming substance misusers themselves. ²³⁵	Our policies to enable people with dependencies to recover and to get into work are in chapter 1. Our policies to help these children to do better at school are in chapter 3.

²³⁰ Cemlyn, S. et.al (2009)

²³¹ DfE (2014a)

²³² Advisory Council on the Misuse of Drugs (2011)

²³³ Particularly the use of opiates, cocaine and crack cocaine.

²³⁴ Macdonald, Z. and Pudney, S. (2000)

²³⁵ National Treatment Agency for Substance Misuse (2012)

Group	Number of UK children in poverty	Vulnerability to poverty now	Risk of poor children growing up to be poor adults.	What we are doing
Looked after children	Around 68,000 looked after children. ²³⁶	No poverty risk data available.	Only 15% of Looked After Children get five A*-C GCSEs including maths and English. ²³⁷ 34% of care leavers aged 19 or over are not in education, employment or training. ²³⁸	We provide additional funding to schools to raise the attainment of looked after children (£1,900 per pupil). There is a champion in every local authority through the Virtual School Head. We provide more support for care leavers through the Care Leavers Foundation and the Care Leavers Charter.
Children of offenders	Around 200,000 in any one year. ²³⁹	Imprisonment reduces families' income, leaving them vulnerable to financial instability, poverty, debt and potential housing disruption. ²⁴⁰	Children with parents in prison have twice the risk of developing behavioural problems and poor mental health than other children. ²⁴¹	We require prison staff to recognise the impact of imprisonment on prisoners' families. Staff help to maintain family relationships for example by supporting prison visits.

²³⁶ DfE (2013e) Figures include England only.

²³⁷ DfE (2013g)

²³⁸ DfE (2013e)

²³⁹ Williams, K., Papadopoulou, V. and Booth, N. (2012). Around 90,000 children are estimated to have a parent in prison at any one time. Estimates are based on 2009 figures for England and Wales only.

²⁴⁰ Smith, R. et. al (2007)

²⁴¹ Murray, J. et. al (2009)

Group	Number of UK children in poverty	Vulnerability to poverty now	Risk of poor children growing up to be poor adults.	What we are doing
Teenage parents	Around 5,400 conceptions to mothers aged under 16 in 2012. Numbers of teenage parents have been in decline. ²⁴²	Children of teenage mothers are 63% more likely to be born into poverty compared to babies born to mothers in their twenties. ²⁴³ Poverty can be both a cause and a consequence of teenage parenthood. ²⁴⁴ Young mothers are twice as likely to have no qualifications and be in receipt of benefits by age 33. ²⁴⁵	Teenage parents are more likely to have been regular school truants prior to becoming a teenage parent and are less likely to have five A*-C GCSEs. ²⁴⁶	We are expanding the Family Nurse Partnership programme to 16,000 places by 2015 to help support young first time parents. We provide childcare funding through the Care to Learn scheme for teenage parents to ensure they can complete their education.

²⁴² ONS (2014c) Conception statistics include pregnancies that result in: one or more live- or stillbirths; a legal abortion under the Abortion Act 1967. They do not include miscarriages or illegal abortions.

²⁴³ Mayhew, E. and Bradshaw, J. (2005)

²⁴⁴ Swann, C. et.al (2003)

²⁴⁵ Hobcraft, J. and Kiernan, K. (1999)

²⁴⁶ Chavalier, A. and Viitanen, T. (2003)

Group	Number of UK children in poverty	Vulnerability to poverty now	Risk of poor children growing up to be poor adults.	What we are doing
Children cared for by family and friends carers (kinship carers)	Approximately 173,000. ²⁴⁷	38% of kinship carers have had to give up their jobs, permanently or temporarily, and, where they were working, were in low-paid jobs. Evidence suggests financial difficulty in 75% of cases. ²⁴⁸	Unknown.	We are improving the quality and quantity of statutory guidance for local authorities to provide services and support to children cared for by family and friends.
Refugees	Unknown.	No income data. Parents face barriers to employment.	The Government does not track pupils' immigration status. Children who are refugees are likely to have experienced disruption to their education and may have English as a second language.	Our policies that tackle worklessness and low earnings (in chapter 1) and our policies to help poor children to do better at school e.g. Pupil Premium (in chapter 3) will help these children.

²⁴⁷ Nandy, S. and Selwyn, J. (2011)

²⁴⁸ Farmer, E. and Moyers, S. (2008)

Annex E:

Government's response to the consultation on the draft Child Poverty Strategy 2014-17

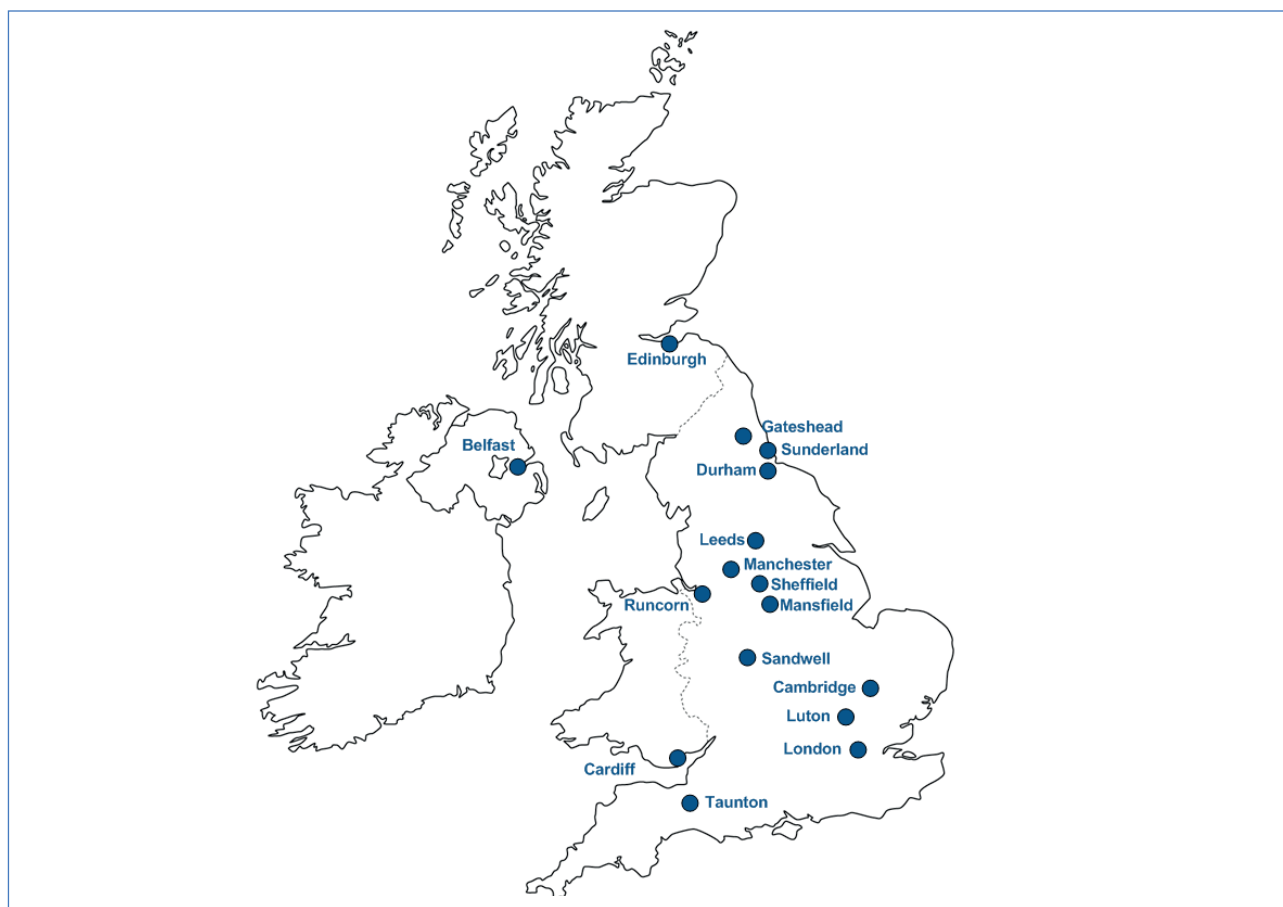
Summary

1. On 27 February 2014 we published the draft Child Poverty Strategy 2014-17 and launched a 12-week consultation that closed on 22 May 2014.
2. The consultation sought views on the draft Child Poverty Strategy 2014-17. We are grateful for the wide range of comprehensive responses received and have carefully considered all points raised. This document summarises the main points to emerge from this consultation, and gives the Government's response to each of these points.

The consultation exercise

3. Section 10 of the Child Poverty Act 2010 requires the Government to consult a number of different groups in preparing its UK Child Poverty Strategy. In the lead up to the launch of the consultation and during the consultation period, the Child Poverty Unit ran a number of events to gather views on the Strategy and meet people with an interest in tackling child poverty.
4. We visited 16 locations around the UK and met with over 400 individuals, including 195 parents, children and young people, as well as representatives of disabled children, the devolved administrations, local authorities and representatives from the voluntary and community sector.

Figure 1: Towns and cities visited by the consultation



5. During these events, we invited formal responses to the consultation; as a result we received 149 written responses.

Consultation Questions

6. We asked five questions as part of the consultation on the draft Strategy. Two of these focused on respondents' views of the Strategy itself and the actions contained within it. The other three questions asked for examples of what works at a local level in tackling child poverty and how central government can work with other agencies to tackle child poverty. These questions are set out below.

Our approach

- To what extent do you agree that the draft Strategy achieves a good balance between tackling poverty now and tackling the drivers of intergenerational poverty?
- Considering the current fiscal climate, what is your view of the actions set out in the draft Strategy?

Gathering ideas

- At a local level, what works well in tackling child poverty now?
- At a local level, what works well for preventing poor children becoming poor adults?
- What more can central government do to help employers, local agencies and the voluntary and community sector work together to end child poverty?

7. Whilst some respondents confined their responses to the consultation questions, the majority provided much wider views on government action to tackle child poverty. On this basis, this response provides a summary of the main points to emerge, rather than a question-by-question commentary.
8. A number of responses provided useful examples or case studies that show action taken at a local level to tackle child poverty, some of which have been included within the final Strategy. Due to the quantity received, we could not include all of the examples; however, we are grateful to all of those who supplied us with information. This will help us to implement the actions set out in the Child Poverty Strategy 2014-17 and also consider future actions.

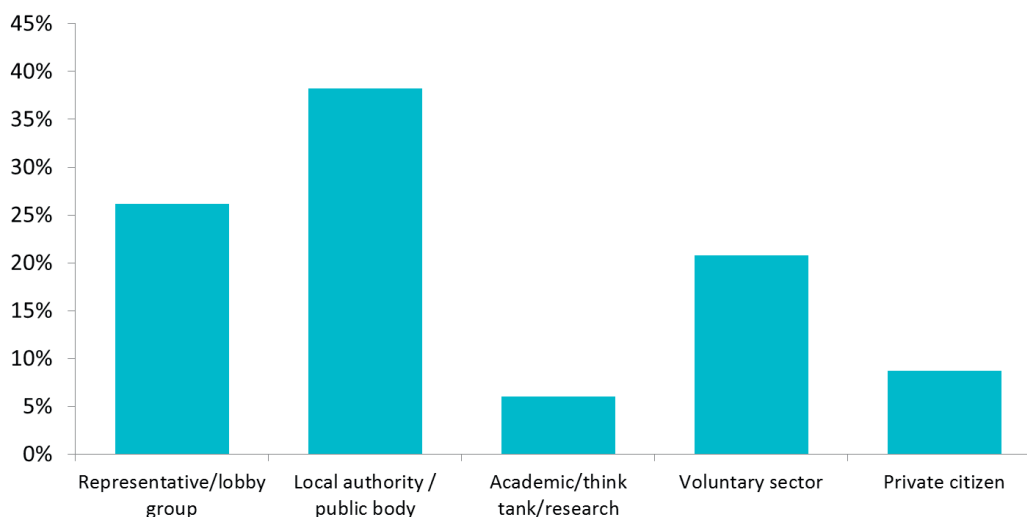
Methodology

9. To capture the depth and breadth of the responses we received, we recorded the key points made by each respondent. We categorised these into the main actions outlined in the Strategy, and grouped the most commonly held views on these policies. This enabled us to determine and quantify the key messages from a wide range of consultation responses and consider them in finalising the Strategy. These key messages are detailed throughout this document.
10. Given the huge range of views expressed by our respondents we are not able to quantify every point of view, and therefore some opinions are expressed without associated numbers.

Summary of written responses

11. The 149 written responses came from a wide variety of individuals and groups as shown in the following chart.

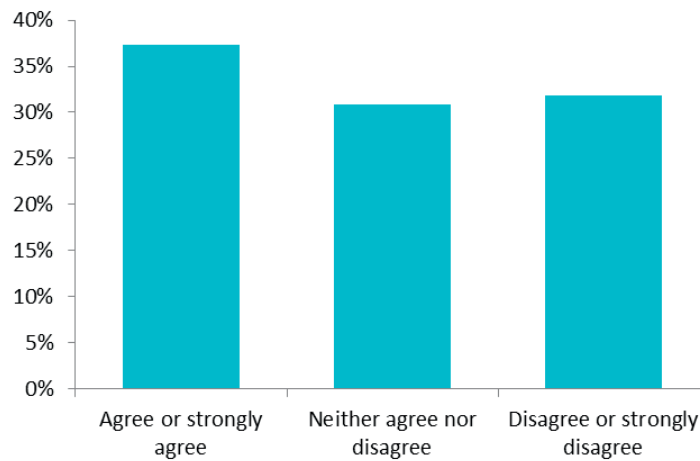
Figure 2: Chart showing the percentage of responses by respondent type



Strategy overview

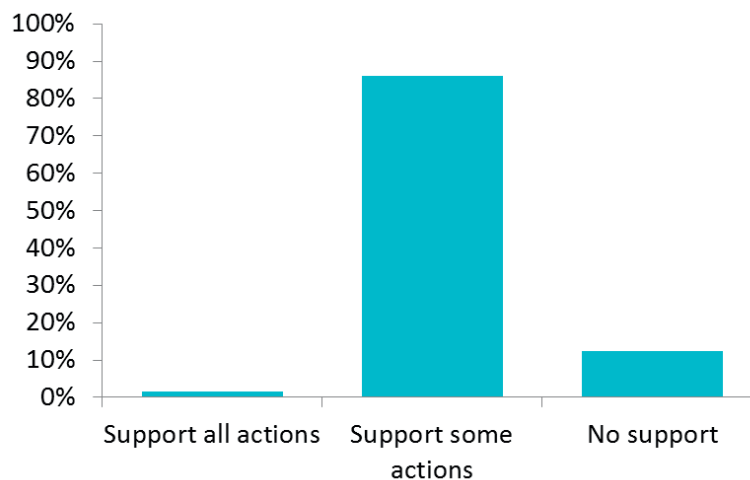
12. We asked respondents to what extent they agreed that the draft Strategy achieves a good balance between tackling poverty now and tackling the drivers of intergenerational poverty. Around two thirds of respondents provided an answer to this question. As the chart below shows, there was an even spread of responses agreeing, disagreeing or neither.

Figure 3: Chart showing the views of respondents on the balance of the actions set out in the Strategy



13. We asked respondents to give their views on the actions set out in the draft Strategy, bearing in mind the current fiscal climate. We found that the majority of responses supported some actions and were critical of others. Relatively few respondents were wholly in favour or against the actions outlined.

Figure 4: Chart showing the level of support for the actions set out in the Strategy



14. The consultation responses gave some clear feedback on the draft Strategy:

- Around 85% of respondents commented on the Government’s approach to tackling poverty now. The most frequently discussed topics were welfare reform and tackling low pay.
- Around 80% of respondents discussed education-related issues, with around 40% of these welcoming the Strategy’s focus on education.

- c. Around 70% of respondents engaged with proposals to reduce the costs of living for low-income families, with a wide spread of suggestions about food, fuel, housing, debt and access to affordable credit.
- d. Around 40% would have liked to have seen new or different measures of child poverty included in the Strategy. Around 20% wanted to see more information on how the Government will track progress towards its goal of ending child poverty, and a similar number were concerned about meeting the 2020 targets.
- e. Around 50% of all respondents expressed concerns about the impacts of welfare reform or the possibility that poverty figures may increase as a result; around 15% of these acknowledged the difficult fiscal climate.

Key messages from the consultation and the Government's response

15. Analysis of the responses identified six key messages. In each case, we have outlined what the draft Strategy says, what the consultation responses told us and the Government's response.

Key message 1: it is important to make sure work pays

What the draft Strategy says

16. The draft Strategy sets out government action to ensure that families are better off in work than out of work and better off working more hours.

What the consultation responses told us

17. Around 60% of all respondents to the consultation commented on aspects of welfare reform. The key messages in this area are summarised below:
- a. Around 50% of all respondents were concerned about impacts of welfare reform on low-income families. For example, some specific concerns were:
 - i. the potential impact of some aspects of welfare reform; for example, the benefit cap without having Universal Credit and its positive impact on work incentives in place.
 - ii. in families where the parents had difficulty moving into work, the reduction in income because of the benefit cap could have a detrimental effect on children's wellbeing, such as leading to the family having to cut back on essentials, getting into debt or facing the threat of eviction.
 - iii. Universal Credit payments being made to claimants on a monthly basis and whether some families would struggle with monthly budgeting.
 - b. Around 30% of respondents who commented on welfare reform questioned whether benefit sanctions were effective in moving people into work. Many of these worried about the short-term effects this may have on the wellbeing of the children.
 - c. The extension of free school meals to all infant school pupils was welcomed by around 20% of respondents but a similar proportion of respondents were concerned about other additional costs faced by parents when returning to work, such as childcare and transport costs. Many respondents suggested that action is needed to encourage employers to offer flexible working that meets the needs of families.

- d. Around 15% of those who commented on welfare reform were concerned about delays to the roll out of Universal Credit although several agreed the need for a simplified, clearer benefit system with increased work incentives.

The Government's response²⁴⁵²⁴⁶²⁴⁷²⁴⁸

18. As set out in the Child Poverty Strategy 2014-17, the evidence is clear that work remains the best route out of poverty. Children in workless families are three times as likely to be in relative poverty as families where at least one parent works.²⁴⁹
19. Welfare reform measures will ensure that the benefit system is fair and affordable. In Universal Credit, the Government aims to ensure that work, even in small amounts, will pay. This removes long-standing barriers that deter people on benefits from working and will improve the lives of some of the poorest families. We estimate that 300,000 more people will enter work through improved financial incentives; as a result 3 million households will be better off and up to 300,000 children will be lifted out of poverty.²⁵⁰
20. Since the draft Strategy was published in February 2014, we have announced that 85% of childcare costs will be covered under Universal Credit, meaning that 500,000 working families will keep more of the money they earn.²⁵¹ This announcement was welcomed by around 10% of respondents. The comments we have received in response to the consultation regarding welfare reform and the impact of specific policies will be shared across government.

Key message 2: we need to do more to tackle low pay

What the draft Strategy says

21. The draft Strategy sets out how the Government will tackle low pay without affecting employment, through enforcing the National Minimum Wage and increasing the Personal Tax Allowance.

What the consultation responses told us

22. Around 45% of respondents to the consultation considered tackling low pay to be an important issue. The key points raised are listed below:
 - a. Around 60% of respondents who mentioned low pay in their responses wanted to see more employers paying the Living Wage. Some thought central government and other public bodies should be setting an example and encouraging others to pay the Living Wage. Respondents were concerned that there are too many low-paid jobs in the UK economy generally and that there should be wider action around recalibrating the economy to increase the number of higher-paid jobs.
 - b. Around 35% of respondents mentioning low pay wanted to see increases in the National Minimum Wage, whilst a small number advocated for local variation in the minimum wage to reflect those parts of the country that face higher living costs.
 - c. Around 30% of respondents highlighted in-work poverty as a growing issue, with a need to take further action in this area. Some suggested that the number of working families living in poverty meant that a focus on work as a way out of poverty was less than credible.

²⁴⁹ DWP (2013b)

²⁵⁰ DWP (2012) DWP internal analysis, for details see endnote i, page 53

²⁵¹ <https://www.gov.uk/government/news/millions-of-parents-to-get-help-with-childcare-costs>

- d. Around 20% of respondents expressed concerns over the use of zero-hour contracts, for example where employers may request exclusivity without guaranteeing hours. Respondents supported proposals to stop exclusivity clauses where there is no justifiable reason for using them, and to introduce a Code of Practice to guide best practice.
- e. Views on increases to the Personal Tax Allowance were mixed. A small number of responses suggested it is not beneficial to poor families, as many do not currently pay income tax, whilst others commented that this is a positive step to move families out of poverty.
- f. Around 35% of respondents commented on the Strategy's suggestions for working with employers. These respondents felt that employers have a responsibility to create good-quality jobs with opportunities for training and progression to allow poor families to increase their earnings.

The Government's response

- 23. Britain's economic plan is working. The economy is growing, the deficit is falling and jobs are being created. Unemployment is down by nearly 350,000 in the past year²⁵² and employment has increased by nearly 1.7 million since 2010.²⁵³
- 24. The Government agrees that tackling low pay is an important issue. Since the draft Strategy was published, further increases to the Personal Tax Allowance have been announced as well as a 3% increase in the National Minimum Wage from October 2014; this is the biggest percentage increase since 2008.²⁵⁴
- 25. In addition to the actions being taken on low pay, the Government are supporting progression in work so that individuals can develop and earn more. Universal Credit will incentivise people to move into work and to work more, with claimants already in work due to increase their hours by 0.5 to 2.5 million hours a week.²⁵⁵ The vast majority of these extra hours will be worked by parents.
- 26. The Child Poverty Strategy 2014-17 sets out further action to tackle low pay and in-work poverty, including recommending that employers consider whether they can afford to pay the Living Wage.

Key message 3: more homes, better homes, stable homes

What the draft Strategy says

- 27. The draft Strategy acknowledges that too few homes have been built over the last two decades or more, and sets out key actions to increase the number of houses for sale and rent. These actions will enable more houses to be built, encourage better use of the existing social housing stock, and increase housing quality.

²⁵² ONS (2014d)

²⁵³ ONS (2014d): Total employment 30.5 million in Feb-Apr 2014 compared with 28.8 million in Feb-Apr

²⁵⁴ <https://www.gov.uk/government/news/one-million-set-to-benefit-from-national-minimum-wage-rise-to-650>

²⁵⁵ DWP UC analysis, 2014, unpublished

What the consultation responses told us

28. Around 40% of respondents highlighted housing as an area for further government action, the main points raised were:
- a. Not enough houses have been built; this limits the supply and drives up both house prices and rents. Around half of those who mentioned housing called for further house building programmes in order to meet demand and encourage economic growth.
 - b. Several local authorities welcomed the increase in the Local Authority Borrowing Cap to help fund house building, however most wanted it to be raised even further or for it to be removed entirely.
 - c. Respondents were concerned about the impact of welfare reform on housing (around 45% of those who mentioned housing), for example the removal of the spare room subsidy and housing benefit reforms. A small number expressed concerns over families who felt forced to move to a lower cost property as a result and outlined the negative effects this can have on children's development and education.
 - d. We heard concerns that there has been an increase in the number of poor families living in the private rented sector, when traditionally more families in poverty have lived in the social rented sector. They set out the problems associated with this such as higher rents (especially in London) and higher energy bills due to homes being less energy inefficient.
 - e. Short-term tenancy agreements were considered a problem in the private rented sector. Action to secure family-friendly lease arrangements such as longer-term leases with an assurance of security for families with children would be welcomed.
 - f. Another important consideration for many respondents was the impact of inadequate or unstable housing on children's life chances. Around 35% of those who commented on housing raised concerns that living in cold, damp or overcrowded homes may be detrimental to the physical health of children, cause developmental problems for toddlers and have a negative impact on educational attainment and future employment prospects.

The Government's response

29. This Government's Housing Strategy is addressing the country's dysfunctional housing markets. The Strategy is designed to: unlock both supply and demand; boost both sectors, freehold and rented; and make the best use of redundant land and empty properties. This approach reinforces the Government's commitment to supporting vulnerable people.
30. Between 1997 and 2010, the total stock of affordable rented homes fell by 420,000; it has increased every year since 2010. The Government is on track to deliver 170,000 new affordable homes between 2011 and 2015. The new affordable homes programme will deliver an additional 165,000 affordable homes over three years from 2015; this will be the fastest rate of affordable house building over any three-year period for at least 20 years.

31. Reform of Housing Benefit is essential in order to manage rising costs and restore fairness to the system; it increased by nearly 50% in real terms over the last decade,²⁵⁶ and stood at £24 billion in 2012-13.
32. The removal of the spare room subsidy is about fairness; the rules already apply to those living in private rented accommodation and receive housing benefit. It is necessary to use social housing stock fairly and properly, providing an incentive to tenants with spare rooms to move to smaller homes and encouraging local authorities and housing associations to make better use of their housing stock.
33. The Government will continue to improve the quality of social homes through the Decent Homes Programme. This will help to ensure the backlog of non-decent council homes in each local authority is no more than 10% of its total stock.
34. The Government is also helping private tenants to know their rights regarding housing quality by publishing a "How to Rent" checklist and will help hard-working families secure longer tenancies in the private sector, if this is what they want by publishing a government-backed model tenancy agreement before the end of 2014.
35. The Government agrees that it is vital to ensure that all children grow up in the right environment. The evidence indicates that low-quality housing and overcrowding can have negative impacts on the health, wellbeing and educational attainment of children.
36. Investment in housing will continue to be a priority for this Government as set out in the Child Poverty Strategy 2014-17.

Key message 4: problem debt and access to credit are important issues for low-income families

What the draft Strategy says

37. The draft Strategy set out government action to increase access to affordable credit through expanding credit unions, protecting consumers by cracking down on payday lending (including by imposing a cap on the cost of credit). We are tackling problem debt by delivering debt advice through the Money Advice Service, and safeguarding the transition to Universal Credit by offering support to manage the changes – for example, monthly budgeting.

What the consultation responses told us

38. Around 40% of all respondents to the consultation mentioned debt or access to affordable credit. The main points raised were:
 - a. Around 70% of those who mentioned debt in their response suggested that further action in this area is required to improve the living standards of low-income families.
 - b. Around 45% of respondents who were concerned about debt suggested there should be more financial education available, especially in schools, to increase levels of financial literacy.
 - c. We heard concerns about the relationship between debt, stress and poor health (including mental health) and a call for further research into this relationship.

²⁵⁶ DWP (2014c). Figure refers to the increase (in real terms) between 2002/3 and 2012/13.

- d. Increasing access to affordable credit was also a high-priority area for many respondents (around 20%), with worries around low-income families turning to payday loans to pay their everyday costs. Respondents called for further regulation in the high-cost credit sector and an extension of local welfare provision. Others regarded the continuing expansion of the credit union sector and cracking down on payday loans as welcome actions.

The Government's response

39. The Government knows that low-income families are more likely to be in debt and may struggle to pay household bills and expenses, and agrees that financial education is important in helping more families to manage their money. The Money Advice Service offers free and impartial information and advice on money matters to help people better manage their money and plan ahead. They work with partners to make debt advice easier and quicker to access, and to improve standards and quality across the sector. The Government is also helping the parents of tomorrow avoid problem debt by strengthening the skills needed for personal finance in the mathematics national curriculum and by including, for the first time, financial literacy as part of the citizenship curriculum.
40. Low-income families, like many other families, need access to affordable credit; they often find it harder to borrow from banks or get a credit card. This can mean they turn to payday loans or even illegal loan sharks. The Government wants everyone to be able to access to affordable credit, this is why it has invested in expanding credit unions, with the aim of saving low-income consumers up to £1 billion in loan interest (compared to payday loans). As credit unions are owned and run by members, they offer a much more affordable way to borrow money.
41. The Child Poverty Strategy 2014-17 sets out further action this Government has taken to address the issues raised by the consultation, including tough new rules introduced by the Financial Conduct Authority (FCA) to regulate the high-cost short-term consumer credit industry. In order to protect consumers from unfair costs, the Government has legislated for the FCA to introduce a cap on the cost of payday loans and the cap will be implemented no later than 2 January 2015.

Key message 5: it is important to close the attainment gap between poor children and their peers

What the draft Strategy says

42. The draft Strategy acknowledged that it is possible for poor children to do much better at school. That is why the Government is giving schools more freedom and funding, holding them to account for the attainment of poor children, ensuring children have ever-better teachers and targeting support on children who fall behind.

What the consultation responses told us

43. Over 50% of all respondents commented on some aspect of schools policy, with a quarter of those respondents supporting a continued focus on reducing the attainment gap between poor children and their peers. The key points raised were:
 - a. Teaching professionals told us that schools need to better tailor the curriculum and classroom processes to close this attainment gap, allowing poor children to fulfil their potential. They warned, however, against overlooking important steps in a child's learning because of the pressure to improve results.

- b. Over 10% of respondents expressed an interest in developing better non-academic courses with a view to satisfying long-term labour market demand.
- c. We heard respondents comment that policies should include more work with parents to support their child's education and improve the home learning environment.
- d. There were a range of views on Free School Meals (FSM), with around 35% of those who commented on schools welcoming the extension to all infant school pupils. Some felt that this would help to de-stigmatise FSM, have benefits on both health and educational attainment and should be extended to all primary pupils. Others felt that FSM should be targeted to just the poorest children. A small number of respondents sought guidance on the effect the extension of free school meals will have on funding and accountability of Pupil Premium, as well as a demonstration of a return on investment for this policy.
- e. Around 45% of responses commenting on schools policies backed the Government's increased commitment to the Pupil Premium and supported holding schools to account for the use of this money, although some felt more evidence was needed around what works.
- f. Teach First was praised as having a positive impact on attainment and the extension of this programme was encouraged. Respondents cautioned, however, that the Government should ensure that measures are in place to retain these teachers.

The Government's response

- 44. The Government welcomes respondents' recognition of the big changes it is making in improving the attainment of poor children, for example through the considerable investment in the Pupil Premium, the extension of free school meals and getting ever better teachers in classrooms. We are increasing the evidence base of what works through the Education Endowment Foundation, so schools know the effective interventions for helping poor children to do better at school. And even more high-quality graduates are being placed into challenging schools.
- 45. Some respondents asked how the FSM extension will affect Pupil Premium entitlement. The basis on which pupil premium funding is calculated will not be affected by the introduction of Universal Infant Free School Meals (UIFSM). For more advice on how schools can safeguard pupil premium funding from September 2014, see the UIFSM Toolkit.²⁵⁷
- 46. In local authority areas that have introduced FSM for all primary pupils, schools have seen an increase in FSM registration. There is no reason why this should not be repeated across the country. There will continue to be a very strong incentive for parents to sign up; at £1,300 per child the Pupil Premium will mean significant extra support for their child.
- 47. The Government will continue to focus on closing the attainment gap between poor pupils and their peers as set out in Chapter 3 of the Child Poverty Strategy 2014-17.

²⁵⁷ <http://www.schoolfoodplan.com/toolkit/>

Key message 6: early intervention is absolutely vital in terms of raising educational attainment

What the draft Strategy says

48. The draft Strategy underlined how children's development in the early years provides the foundation for later learning, and how poor children benefit most from attending a high-quality pre-school.

What the consultation responses told us

49. Around 45% of all respondents referred to early years education. The main points raised were:
- a. Around 50% of those who commented on early years said that better quality and more affordable childcare provision is needed. Many see early intervention as a key priority, and highlighted the need for the maximum amount of input as early as possible so that children start school ready to learn.
 - b. Of those commenting on early years policy, around 40% welcomed proposals to extend funded early years education to two year olds from families on low income.
 - c. Respondents urged the Government to commit to universal services that support children in the early years, as a critical and cost-effective investment.
 - d. Others highlighted the importance of the home learning environment to ensure poor children don't start school behind their peers. In this respect, many respondents stressed the importance of encouraging parents to read with their children at home.
 - e. Several respondents welcomed proposals to increase the number of good pre-school and nursery teachers by introducing new qualifications to raise the quality and status of the profession. They felt that better career progression routes and better wages would achieve this, although acknowledged that this would affect parents' fees and that further action was required.

The Government's response

50. As set out in the Child Poverty Strategy 2014-17, the Government's reforms aim to ensure that all poor children arrive at school ready to learn through increasing free pre-school places, getting better teachers and simplifying the curriculum.
51. The Government has gone even further by announcing the new Early Years Pupil Premium to support disadvantaged three and four year olds receiving government-funded early education. £50 million will be invested in 2015/16 giving early years providers more support to help those from the most disadvantaged backgrounds. This will help providers employ more highly-qualified staff, for example, or to increase access to services such as speech and language specialists.
52. The Government is also taking action to drive up the supply of high-quality childcare provision to give more choice to parents and drive down costs. This includes encouraging schools to open nurseries and offer 8am – 6pm provision. The latest figures show there are around 100,000 more childcare places than in 2009 (5% increase).²⁵⁸

²⁵⁸ Brind, R. et.al (2012)

53. Since the consultation was launched we have announced an increase the rate of childcare support in Universal Credit from 70% to 85%. This will help more families transition from benefits into employment so that 500,000 households get more out of the money they earn, making sure work pays.²⁵⁹

Working with others

What the draft Strategy says

54. Central government action cannot, by itself, end child poverty. The draft Strategy calls for action from employers, devolved administrations, local areas and the voluntary and community sector to play their part in providing sustainable help for the poorest in society.

What our consultation responses told us

55. Around 45% of responses commented on working with local areas to tackle child poverty. Some of the key points raised were:
- a. Current funding levels are not sufficient to enable local authorities to tackle child poverty (around 40% of responses to this section). Some local areas wanted further devolution of funding for example to include responsibility for welfare or local skills provision.
 - b. Some of the responses that touched on local areas wanted to see improved central government leadership to help local authorities to tackle child poverty and a more joined-up approach in service delivery at local level. For example, local authorities could work with the voluntary sector and local businesses on successful anti-poverty initiatives.
 - c. Local data is useful to help target action for those who need it most. Around 20% of respondents commenting on this area mentioned the need for better local data.
 - d. The importance of local initiatives that gave families holistic advice and support was also stressed in some responses. Children's Centres were often used to give a variety of different services.
 - e. The importance of local business partnerships in encouraging jobs growth in local areas and providing opportunities for young people was mentioned several times. Some responses thought that Local Enterprise Partnerships should do more to make sure that the growth they foster helps people living in poverty.

The Government's response

56. This Government has taken action to give local areas more freedom, having removed overly strict requirements about what local agencies can spend their money on and given them more control over the services they provide. Local agencies now have the flexibility they need to tailor their services to face specific local challenges, making them vital partners in tackling child poverty.
57. Understanding the challenges faced by local areas is vital to tackling the key drivers of child poverty. There is large variation across the country in child poverty levels. Due to changes to the tax and benefit system, existing proxy measures for local child poverty can no longer be used from next year. The Government will work in partnership with local areas to review existing indicators and local proxy measures, to improve understanding of child poverty through better use of evidence and data.

²⁵⁹ <https://www.gov.uk/government/news/millions-of-parents-to-get-help-with-childcare-costs>

Key messages from parents, children and young people

58. In preparing the Child Poverty Strategy, the Government has a legal duty to consult certain groups, including children and parents. Whilst we received few formal written responses from this group, we were able to gather feedback and comments on the draft Strategy through a number of consultation events. We are grateful to everyone who attended one of these events and provided their views.
59. We held 14 events attended by 195 children, young people and parents. We presented the draft Strategy and asked for views on the actions we set out to tackle child poverty as well as asking for their own experiences of living in poverty. The discussions covered a wide range of issues that were of particular importance to the people we spoke to. The key points raised during these discussions are set out below:

Children and young people

- a. They agreed that the focus of the Child Poverty Strategy on supporting parents into work and raising educational attainment was the right approach.
- b. The majority of children and young people agreed that there is a need for work experience opportunities whilst in school, with many suggesting that this should be compulsory for all children.
- c. Mentoring was also a popular topic with a suggestion that schools should offer mentors who weren't necessarily teachers, but instead someone that could discuss specific issues and barriers and provide inspiration and motivation.
- d. There was general agreement that employers should work with schools, for example offering careers advice or financial education that would help to prepare young people to move into employment.
- e. Many children mentioned the stigma of being poor, for example some suggested that claiming free school meals or being unable to afford uniforms had led to bullying, harassment or truancy. They also suggested that being singled out by teachers for the additional support provided to disadvantaged pupils added to this stigma.
- f. The media portrayal of families living on benefits as lazy and unwilling to work was unhelpful and gave the wrong message about poverty.
- g. Many also thought that schools should: encourage parents to have higher aspirations for their children; teach parents how to ensure healthy eating; and provide opportunities for parents to be more involved in their child's school career and the local community.
- h. Many reported being affected by benefit cuts, for example housing benefit cuts, the benefit cap and removal of the spare room subsidy.
- i. They mentioned pressure on their parents from schools due to the expectation to provide additional items such as PE kit, musical instruments, access to the internet and paying for school trips.
- j. Many wanted additional subjects added to the curriculum to help prepare them for adulthood, such as money management skills to avoid debts, career planning, and training courses that could be linked to available jobs.

Parents

- a. The cost of formal childcare is high, and many felt discouraged from working as a result. Some were able to rely on informal childcare such as support from grandparents but they were worried about placing an unfair burden on family members.
- b. They wanted to see employers being more flexible around working patterns to fit around the needs of the family. They also talked about the benefits of schools providing breakfast clubs and after-school clubs.
- c. They worried about rising costs of living and paying household bills. They felt they couldn't provide all that schools expected. For example, many don't have a computer or access to the internet and so their child had struggled with homework assignments.
- d. Many wanted additional training and support from jobcentres, to improve their employability and skills.

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ISBN 978-1-4741-0827-0



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