

Tackling Child Poverty:

Developing Our Strategy

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Foreword: Secretaries of State for Work & Pensions and for Education

Poverty scars the lives and life chances of our children. It is shameful that child poverty has increased by 700,000 since 2010, with over four million children now living in poverty in the UK and 800,000 children using foodbanks to eat. This is unacceptable. Delivering on our manifesto commitment to put this right is an urgent priority for this new government and for our country as a whole.

Tackling child poverty is both a moral imperative and crucial to building a stronger society and economy. Driving down child poverty will transform lives and communities and is at the heart of our Opportunity Mission: breaking the link between young people's backgrounds and their future success. Ensuring millions of children and young people are not held back is also crucial to economic growth. When children are not given the chance to achieve, our businesses and public services are denied the talent they could offer.

Our plans to Make Work Pay, Get Britain Working, bring down the cost of energy, make housing more affordable, and expand access to childcare will all be critical to our goals on child poverty.

This is a shared endeavour across all parts of the UK. There is a lot we can learn from action already being taken in Scotland, Wales and Northern Ireland to tackle child poverty. We've already heard directly from local areas innovating and prioritising work to tackle child poverty in England: the North East Combined Authority's Child Poverty Prevention Programme targeting better support in schools and workplaces; the Family Mentor Service in Nottingham guiding parents to achieve the best outcomes for their children through their home visiting programme; and ReferKent enabling direct referrals to the services families need. These are just a few examples of the innovation already happening across the UK that we must build on.

We are keen to ensure that our combined efforts deliver the best we can for our children, wherever they live. We recognise the causes of child poverty are deep-rooted, with solutions that go beyond government, and will involve action from across society, including businesses, voluntary, community and social enterprises (VCSE), working together in new and improved partnerships.

The Prime Minister has tasked us all to deliver an ambitious strategy to reduce child poverty, listening carefully to the voices of children and families living in poverty and working with leading organisations, charities, and campaigners.

This document sets out how we will work with Devolved Governments, partner organisations and individuals to develop the Strategy further, before its publication in Autumn 2025.

Summary of evidence

Recent historical context

Child poverty rates¹ in the UK were comparatively low during the 1960s and 1970s, at fewer than one in five children. During the 1980s child poverty rates rose dramatically to reach more than one in three children by the mid-1990s².

By 1997, children were at significantly higher risk of poverty than people of working-age or pensioners³. The then government committed to eradicating child poverty within a generation. It focused on growing the economy and making work pay through introducing the national minimum wage and establishing the tax credit system. Alongside this, it invested heavily in early years and family support, and in high quality education.

By 2010, the number of children in relative poverty after housing costs had reduced by 600,000 whilst the number in absolute poverty after housing costs had reduced by 2.2 million⁴.

Since 2010, much of the progress has been unravelled through a series of structural changes to the social security system, a lack of economic growth and consequent wage stagnation, an increase in insecure work, the impacts of COVID and the cost-of-living crisis.

The overall number of children living in poverty⁵ increased by 700,000 between 2010/11 and 2022/23, to reach a total of 4.3 million children in poverty in 2022/23. This is 3 in 10 of all children in the UK⁶, with variations across the UK.

A range of measures demonstrate the levels of deep poverty that exist below this headline. In 2022/23, 800,000 children were living in a household using a food bank within the past 12 months and 3.0 million children were living in material deprivation (i.e. lacking items and activities deemed necessary for an acceptable standard of living)⁷.

The changing nature of child poverty

Since 2010/11, policy, demographic, and societal changes have combined to change significantly which families fall below the poverty line. Most children in poverty (69%) live in a family where at least one adult is working, and this has increased since 2010/11 (when it was 58% of children in poverty)⁸.

Over this period, there have also been increases in the proportion of children in poverty living in larger families with three or more children (up from 34% to 50% of children in poverty), in families where someone is disabled (up from 31% to 43% of children in poverty), in families that are renting (up from 31% to 34% of children in poverty for private rent, and largely flat at 38% to 39% for social rent) and in families where the household reference person is from an ethnic minority group (up from 25% to 35% of children in poverty)⁹.

Employment and housing

Employment is critical in helping people move out of poverty. Barriers to entering work and increasing hours and pay include caring responsibilities¹⁰, disability or health issues¹¹, access to affordable childcare¹² and transport¹³, alongside the local labour market supply of secure and flexible jobs offering opportunity for progression¹⁴.

Low-income families are suffering from a lack of access to affordable and quality housing. Recent decades have seen in parts of the UK much lower numbers of social homes built, accompanied by loss of supply due to sales and demolition, paired with growth in the private rental sector where housing costs are particularly high¹⁵. In 2022/23, the highest proportion of (median) income spent on (median) housing costs was for those in the private rented sector (28%), followed by the social rented sector (21%), compared to those buying a house with a mortgage (9%)¹⁶ or owning property outright (2%)¹⁷. Meanwhile, 151,630 homeless children were living in temporary accommodation in England as of 31 March 2024¹⁸, with evidence also emphasising the role of poor-quality housing in contributing to poverty and negative health outcomes¹⁹.

There are significant disparities in the levels of child poverty in different regions and nations of the UK. For example, 3 in 10 children in England and in Wales were in poverty²⁰ in the period 2021/22 to 2022/3, compared to 1 in 4 children in Scotland and in Northern Ireland. Within England, estimates of poverty rates in different Local Authorities²¹ range hugely from 5% to 43% (in 2022/23).

Cost of living pressures, debt and financial resilience

Lower income families have been particularly hard-hit by the cost-of-living crisis (from early 2022 to 2024). The cost of essentials increased far more over this period than overall price increases, with energy costs increasing by 36% and food 29% whereas the headline consumer price index increased by 18%²².

This means there has been a sharp real income squeeze in the poorest households because low-income families spend a greater proportion of their incomes on essentials, such as food and energy.

Families on low incomes are more likely to be in problem debt and struggling to pay bills²³. There is mounting evidence that priority debt like rent and utilities is becoming an increasing challenge. In the first quarter of 2024, the total value of debt and arrears amongst energy customers is at an all-time high²⁴ and has risen by 53% since the first quarter of 2023²⁵. Low-income families also struggle to build up savings and access affordable credit, impacting on their financial resilience²⁶.

The cost-of-living crisis further compounded the 'poverty premium', with research showing that families with lower incomes, or additional needs because of circumstances such as family health issues, often pay more for access to the same goods and services²⁷.

Impact of poverty on wider outcomes

Growing up in poverty not only affects children's wellbeing and opportunities during childhood but also the opportunities and experiences they have throughout their lives. Evidence shows early inequalities in health outcomes²⁸ and educational attainment²⁹ for

disadvantaged children compared to more advantaged children, with these differences compounding over time and having lifelong impacts³⁰. Poverty has wider economic and social costs for us all, including those associated with health care, schools spending, policing and the criminal justice system, children's services, adult social care and housing³¹.

Evidence also suggests that children growing up in low-income families miss childhood experiences, including being less likely to participate in extra-curricular activities and to have access to wider social and cultural activities³². Experiences, and the time to spend with family on leisure and recreation in a stress-free environment (whether inside or outside the home) are central to a child's well-being.

That is why our commitment to a deep understanding of the drivers and experience of poverty in households across the UK, underpins every aspect of our focus and approach to the Child Poverty Strategy.

Focus and Approach to the Child Poverty Strategy

Our focus is on bringing about an enduring reduction in child poverty in this parliament, as part of a 10-year Strategy for lasting change, thereby reversing the trend that is seeing forecasts of child poverty continuing to increase³³.

The Strategy will be UK-wide, drawing on devolved and reserved levers and working closely with Devolved Governments, recognising the progress that has been made on their poverty strategies & policies, and with mayors and other leaders of local government.

We are clear that this is ambitious, and we will work within and outside government, in partnership, in achieving this aim. We need to recognise, as a country, that poverty is a systemic and shared problem, where government does not hold all the solutions, and where business, voluntary, community and social enterprises, as well citizens and wider society are part of the solution.

Tackling child poverty is central to our mission to break down barriers to opportunity, ensuring young people's backgrounds do not determine their future success. Reducing poverty, particularly the impacts of deprivation, helps families and their future generations improve their income and financial security. We know that lacking in the essentials holds children back from engaging in education, wider experiences and other opportunities in life, puts strain on family relationships and places additional demand on frontline services. We are failing our children if we are not investing in them and doing our best to meet their material, emotional and developmental needs.

We will be guided by the leading, and internationally recognised, measure of poverty - Relative Poverty After Housing Costs (the proportion of families with below 60% of the median income after housing costs are deducted).

The Strategy is not just about this headline measure. Our metrics must reflect the experience of poverty in households across the UK and the urgent need to focus on those children experiencing the most severe and acute forms of poverty. We will consider how best to measure this as we develop the strategy, including through our work on the material deprivation measure following the recent review.

Sustained Timeframe

We need a long-term vision to deliver an enduring reduction in child poverty across the UK that continues beyond this parliament, linking with existing poverty strategies. There will be short and long-term options for action, with the strategy looking ahead over the period from its publication in 2025, to the mid-2030s.

Tackling the root causes of poverty, for example by helping parents with work, more secure work, increased financial health and opportunities in life, and alleviating the direct impacts of deprivation, will ensure the Strategy endures beyond economic and political cycles.

Targeted Action

The Strategy will address systemic drivers of poverty, including employment and housing, which are complex issues, that also vary by place and often at a very local level. The Strategy will assess and draw on both fiscal and non-fiscal measures, including levers outside government.

Initially, we will bring together our work and our engagement around four key themes, building on the transformational reform plans underway across government, and work underway in Devolved Governments:

- 1) Increasing incomes: Examining how government and business can work together to support parents into secure employment, and support progression in the labour market, building on our plans to Make Work Pay and to Get Britain Working. This will include childcare as a key enabler of parental employment. We will consider how social security reforms could support people into work and help alleviate poverty.
- 2) Reducing essential costs: Working with business and organisations to understand and tackle the key cost drivers for low-income families (such as housing, energy, food). Looking at where these costs are a barrier to education and employment (like childcare and transport), including addressing the poverty premium and where increased costs of disability exacerbates poverty.
- 3) Increasing financial resilience: Working with a range of stakeholders, including financial institutions, charities, and consumer representatives to find solutions to problem debt and enabling families to build savings. Financial resilience more broadly, including addressing the problem of low savings levels, can reduce the risk of future generations slipping into poverty and enhance their economic opportunities.
- 4) Better local support, focussed especially on children's early years: Our society, through our local institutions and our local communities, is at the heart of tackling the impacts of poverty. This is particularly important in a child's early years, where access to high quality early education and health care services is necessary to ensure all children have the best start in life. We will work with community, local and national partners, inside and outside the public sector, to improve access, coordination and the quality of services, as well as wider opportunities, for those children of all ages that need them, recognising the particular benefits that early years interventions can have.

Our Child Poverty Engagement Plan

Tackling child poverty will require a national effort: the expertise, capacity and the solutions are not found only within government. It is vital that a broad swathe of expert opinion and evidence is gathered to build consensus for action, and solutions and actions are created and delivered in partnership.

There are therefore three aspects to the engagement plan:

- 1. **Learning**: We want to hear from people outside government to develop a broad understanding of priorities and solutions to tackle child poverty.
- 2. **Building consensus**: We want to build a shared view of the problem and galvanise support for the vision and actions set out in the Strategy.
- Readiness for delivery: Success will require action from a wide range of public, private and third sector partners. We want to build buy-in to shared actions and readiness to deliver.

The Taskforce will work closely with external partners across the UK, including the devolved governments, local leaders, academia, business and civil society.

Our principles for engagement are:

- Structured engagement: We will develop a shared and rich evidence base around the four priority themes, building from the strength of the existing evidence base and speaking to experts in each area to understand the multiple drivers and impacts of poverty.
- 2. **Giving power to people outside of government to shape the engagement**: We will ask key stakeholders to lead evidence gathering sessions on their areas of expertise.
- 3. **Hearing directly from children and families living in poverty**: It is right that those experiencing the impacts of poverty are heard as part of this process.

Our forward look and where we are seeking input

A rolling programme of meetings between the Taskforce and experts will underpin the collaborative approach. Meanwhile, wider external engagement events in regions and nations across the UK will convene an even broader range of voices, including bringing in the perspectives of families and children themselves.

Ministerial Taskforce advisory sessions

Over the coming months, the Child Poverty Taskforce will meet to hear directly from experts on each of the Strategy's themes:

 In October, we will invite partners in industry, regulation and the charity sector to share evidence and ideas on options to reduce essential costs for low-income families.

- In November, employers, trade unions and think tanks will be invited to discuss options to increase incomes and financial resilience in low-income households.
- In December, experts on children's health, early years and education and representatives from civil society will be invited to share experience and expertise on ensuring low-income families are able to access quality services to tackle the impacts of poverty.

These sessions have already begun: in September 2024, local leaders from combined and local governments in England joined Ministers to discuss the experience of poverty in their local communities, and innovative solutions underway.

Following this, the Child Poverty Unit will work with combined and local authorities to learn directly from the experience of poverty in different regions and places across the UK, and the action already underway to make a difference for local children.

Engagement shaped by our partners

Alongside events in partnership with combined and local authorities in England, we will work closely with the Devolved Governments. As the starting point for this important work, the Taskforce Co-Chairs have written to First Ministers to set out their aspirations for partnership working on the development of the Strategy across our four nations, and there will be regular engagement as the Strategy takes shape.

Across the UK, we will also be asking leading organisations, charities and campaigners with child poverty expertise such as Save the Children, IPPR, Citizens Advice, Child Poverty Action Group, Barnardo's and the National Children's Bureau, to bring together their networks and stakeholder communities, through roundtables or other forums to discuss the drivers and experience of child poverty, and what action is needed to reduce it. Alongside this, we will engage with Children's Commissioners across the UK.

Hearing directly from children and families living in poverty.

The Taskforce will hear from families across the UK to gather insight on their current experiences and what would have the greatest impact on their day to day lives.

Poverty impacts the whole family so, alongside this, a forum of parents and carers will be brought together to input to the Strategy. We will design this work with the strongest emphasis on sensitivity to the experience of the forum, and learning from others, including the *Changing Realities* project (supported by the University of York and Child Poverty Action Group) and wider organisations. The approach will be designed to be inclusive and capture the experiences of a broad range of parents, carers and children, including those with special educational needs and disabilities and additional support or learning needs. We will also engage directly with *Changing Realities* and their network of over 100 parents from all four nations of the UK.

Academic scrutiny and challenge

An Analytical Expert Reference Group will be convened to test and scrutinise the analysis underpinning the strategy, in addition to our established ways of working with academics on poverty metrics. This Expert Reference Group will draw together a breadth of expertise to reflect the full scope of the work, with a time-limited focus specifically on the development of the Child Poverty Strategy.

We expect an early focus for this group to be on understanding the extent and drivers of deep poverty, the impacts of deprivation and the best ways to address these and there will be a close interface with our wider work, including any revisions to the material deprivation measure following the recent review, and ongoing development of the Below Average Resources (BAR) measure based on the approach proposed by the Social Metrics Commission.

We are in the process of establishing the group and will publish its remit and membership later this month.

Wider Engagement

We have set out above our engagement strategy with families, children and sector organisations, and how we are committed to bringing together a broad range of views and expertise that we need to achieve our ambitious goals. This is in addition to the large existing evidence base on child poverty in the UK and internationally, which we are building understanding from. If there are other perspectives or specific evidence that you would like to contribute, you can contact childpoverty.secretariat@cabinetoffice.gov.uk.

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