

Child Poverty National Knowledge Workshop London

17 September 2009

I am delighted to be here, and to see this coming together of such a range of professionals from local authorities and their partners to learn more and share ideas on what works in tackling child poverty.

Today, I want to link our Child Poverty Bill, and we are the first Government in the world to introduce legislation of this kind, with the work you do every day. Legislation on one hand, and your contribution on the other, are intimately linked. With both we have an historic opportunity to eradicate child poverty once and for all.

Barnardo's published their report "*Below the Breadline*" in July. It profiles Jelani, aged 14, the eldest of four children. For his birthday, he had one present, £10 from a friend, but he decided to give it to his mother, towards school uniforms for his brother and sisters.

Our work on child poverty is driven by our ambition that no child should not have to endure that. But there is a strong economic case too. Poverty passed from one generation to

the next imposes huge costs on individuals and on society. We want to see those costs reduced. By releasing potential of those otherwise held back by poverty, all of society will gain – from greater economic productiveness, and from lower long run costs of support and intervention too.

It is ten years now since we pledged to eradicate child poverty by 2020. The number of children in absolute poverty has since halved; relative poverty has reduced by half a million; and we expect a further reduction of around half a million by next year. But there is a great deal more which still needs to be done.

The child poverty bill is key. It spells out legally binding targets which Government will have to meet, on four measures:

- relative poverty;**
- combined low income and material deprivation;**
- absolute low income; and**
- persistent poverty.**

There is no silver bullet. The challenges are stubborn, complex and wide-ranging. Our strategy has to be multi-faceted and carefully co-ordinated. It needs to be broad in

scope, and sustainable during a decade when the public finances will be tightly constrained.

It needs to find ways of improving the incomes of today's families. And it needs to improve chances over the longer term, so children in poverty today don't in turn bring their children up in poverty in 20 years time. We need to be clear in targeting and focusing what we do.

In-work poverty

Having a job is the best route out of poverty. That is why we have placed so much effort during this downturn in preventing the large scale, long term unemployment which has been so damaging in past recessions. The risk of being in poverty is 68% for a child living with two non working parents. When one parent works full time, that falls to 18%. When both work, it falls to 3% - even if one parent is only working part-time.

And yet, just over half of children in poverty are in working families, not workless ones. Despite all the progress, there are still one and a half million children in poverty with at least one parent in work. We need to make it more likely that – where a parent is in work – the family will be above

the poverty line. And, if we succeed on in work poverty, we shall be a long way along the road towards our target.

We need to help parents find secure, well paid jobs. Making work pay has been central to our approach over the past ten years. Tax credits and the National Minimum Wage have boosted pay and improved work incentives. The minimum income for a family with one child and one person working 35 hours a week has increased 31% in real terms since 1999. And by the way, across the country, 375,000 families who have reported a drop in income in the past six months as the recession has been biting have had an increase in their tax credits as a result – on average £36 per week.

But we still need to help parents overcome barriers that stop them entering work or increasing their hours – real barriers like childcare, or transport costs, or financial support – and perceived barriers as well.

People moving into work sometimes worry they might end up worse off. We have done a lot in the benefit and tax credit system to make sure it is worth being in work. For example, almost all families who increase their earnings don't lose tax credits in the first year. Just communicating that better could make a real difference.

And, we can do better still if we can personalise the support we provide – what consultants might call, ‘customer segmentation’ or just understanding people’s actual lives better.

Personalised in work support

For example, the New Deal for Lone Parents has achieved a massive change. It has helped almost 600 thousand lone parents into work since October 1998, 60 percent into sustained employment. More than a million lone parents are in work. Through understanding other groups, and personalising their support, we can do better for them too.

Research for the Joseph Rowntree Foundation has shown an unmet, or partially unmet, desire to work among parents. For many families, helping second earners into work – or supporting them to increase the hours they work – could be the route out of poverty.

Of 1.5 million children in working poverty, over a quarter are in couple families where one parent works full time, but the other doesn’t work at all. Another 21% are in couple families with only part-time work.

Different families face different barriers to getting out of poverty. Some are caring for very young children. Another group is larger working families. About half the children in poverty, where one parent in a couple works full time, are in families with three or more children. Larger families are likely to need clear, tailored help to overcome barriers:

- childcare to help balance their responsibilities;**
- knowledge of financial help available while in work and perhaps some re-balancing of that help over the decade; and**
- understanding how work might be the right route to meet non financial needs too.**

Another group are families living with disability. Around two-fifths of children in part time working couple families in poverty, have a family member with a disability.

Families from ethnic minority backgrounds face particular barriers. Child poverty rates for ethnic minority groups are higher than for white British children, and for some groups, rates are particularly high: over half of Bangladeshi and Pakistani children live in relative poverty. They too need personalised support.

We'll need tailored approaches: in childcare; employment support; skills and education; financial support; community regeneration – all building blocks to tackling child poverty. And this personalised approach will be key to the 2020 target, and narrowing the gap between poorer children and their peers.

Strong economy

As well as overcoming barriers to work, we must ensure there are secure jobs available that pay a decent wage. As we move from recession to recovery, employers have a crucial role to play. Our commitment to invest in the economy and support people out of work or at risk of losing work is an essential part of our goal.

The minimum wage changed attitudes and raised the incomes of millions of workers. But we have to continue to work with employers to do more, particularly on flexible working opportunities for parents working part-time.

Supporting parents to develop the skills to increase their incomes and gain better-paid jobs is also key. Skills gained now, through training aligned with future job opportunities,

will ensure people can take advantage of a resurgent economy.

Crucial role of Local Authorities

We can only go so far at the national level. We can set a strategic direction and provide fiscal levers to address child poverty. But there's much we can't do.

Whitehall doesn't know best. We need partnership at all levels: devolved governments in the nations, regional authorities, partnerships like the London Delivery Group: Ministers, key delivery partners like the London Development Authority and Jobcentre Plus, London councils and the third sector all working together to tackle the really difficult child poverty issues in London.

Another example is in Bedfordshire, where the Child Poverty Network promotes the view that even small pockets of poverty are unacceptable, and a countywide, multi agency Child Poverty Task Group is providing strategic leadership.

Co-ordinating and cooperating at all those levels, complex child poverty issues can be tackled effectively. Child poverty is everybody's business, including the business community

and wider civil society. So the child poverty bill will enshrine in law collaboration with the Scottish Government, the Welsh Assembly Government and Northern Ireland Assembly, and I'm grateful for help we've had from them all. Legislation will ensure that support for the poorest children will remain a priority in the years ahead.

Success depends on your leadership, on delivery at the local level. Local providers are close to poor families. Local professionals help struggling families every day. Cracking child poverty requires local authorities to prioritise the issue; to get the right people together; thinking creatively about what to do and responding to the issues that are of most relevance to their areas.

In London and the South East, the cost of living is higher than elsewhere. Transport costs can be a problem. High housing costs make it harder for parents to live in a decent home – and can increase the barriers to work. Many families are struggling with mortgage repayments - over 200,000 UK households now receive direct Government help to stay in their homes.

Some local areas have excellent partnerships in place. The child poverty beacons – Newcastle, Tower Hamlets,

Cornwall – have all addressed child poverty in a way that makes sense given local needs, but is also aligned to national policies.

45 Local Authorities have set eradicating child poverty as a target. Others are tackling child poverty in a range of ways. Tower Hamlets will be setting out today how they have translated their strategic vision into action. There are many examples across the country of very good progress.

In my own constituency, over half the children are growing up below the poverty line. Newham Council's Workplace programme is a one-stop-shop with staff from the Council and Jobcentre Plus, where Newham residents receive advice about employment options or business start-up, and where employers advertise vacancies. Jobs on the Olympic Park are a crucial current local opportunity.

Coaches and specialist staff help identify barriers to work, and support with skills. Experienced council officers advise on Housing and Council Tax, and process claims of people moving back into work to prevent sure damaging delays.

Many local authorities have excelled in extended childcare services, so local parents can take up or remain in work, or

undertake training or education that will lead to work. In July I visited the beautiful large children’s centre at South Acton. It offers a fantastic range of play and learning activities, and services for families too:

- allotments growing fresh fruit and vegetables;**
- counselling and mental health care;**
- parenting classes.**

It was running a Work Focussed Services Pilot – bringing Jobcentre Plus staff into the centre, as well as HMRC tax credit staff, so parents could begin their journey into work in a setting where they and their children were comfortable and at ease.

Southampton’s Work Focused Services pilot has a “Families in Debt” service aimed at increasing debt awareness, with numerous partner agencies signed up for debt training. There is a great deal of imaginative, effective good practice we can build on.

Our aim is to shape and embed a progressive consensus. That’s why we pledged to end child poverty in a generation, and that’s why we have introduced legislation so that, at a

local level, you can hold central Government to account on the national strategy.

The Child Poverty Bill recognises that tackling child poverty is everybody's business and everyone has responsibility to act. It includes duties to ensure local authorities and their delivery partners make it happen on the ground. The requirement in the Bill for a local "needs assessment" is to help answer some key questions:

- How can services respond to individual families?**
- How can we improve children's life chances now so they can break out of poverty in the future?**
- How can we strengthen local communities to help children thrive?**
- And – a priority for me – how can local authorities help parents enter, stay and progress in work?**

Most local authorities want to do more. Over the past year, the Child Poverty Unit, which is the focus for this work in Government, has worked with partners on resources to help.

We will hear today about work by the Centre for Excellence in Outcomes to identify barriers and enablers for tackling

child poverty, and to provide the best evidence on ‘what works’.

We have heard from you that local partners struggle to find and use accurate data about the causes and consequences of child poverty. So the Child Poverty Unit is working with C4EO on an online data tool, as well as online case studies of effective data use where tricky issues of data sharing have been overcome.

We have also recently published findings from the Government’s Take-Up taskforce, setting out what local partners can do to encourage families to take up benefits they may not realise they are entitled to.

To sum up

Our goal on child poverty is to achieve – yes, a fair society – but a strong economy too. Releasing the potential of those who would otherwise be held back by poverty means all of us will be better off.

Making work pay, at the heart of our strategy over the last ten years, remains there. The risk of poverty is much lower for working families than workless ones. But still just over

half of children in poverty today are in working families. So addressing in work poverty can get us a long way toward the 2020 target.

We'll require a many sided and carefully co-ordinated approach. It needs to be broad in scope, and sustainable during a period when public finances will be tightly constrained.

And it needs to be informed by lessons of the past, and by an understanding of the different barriers families face:

- those with younger children;**
- larger working families;**
- families from ethnic minorities.**

Local authorities will have a vital role. Thank you for what you are all doing. Please let our Child Poverty Unit know how they are doing. And let's keep working together to make a reality of the ambition all of us share: to eradicate child poverty in Britain.

Thank you.