

A New Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' Lives



Department for Work and Pensions
Department for Education

A New Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' Lives

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by Command of Her Majesty

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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



This is the Government's first *Child Poverty Strategy*, setting out a new approach to tackling poverty and securing social justice in this Parliament and the decade ahead. At its heart are the principles of work, fairness, responsibility and support for the most vulnerable.

This Government believes that when an individual finds and takes work the system should reward them. Where an individual's vulnerability is an obstacle to life chances support should be provided.

All families should benefit, where possible, from the opportunities of employment. We are launching this strategy as we seek to build a new Welfare State which has at its foundation the belief that work, not welfare, is the best route out of poverty for those who are able to work.

The task could not be more pressing. Around 1.9 million children in the UK grow up in homes where no-one works – roughly one in six. As a proportion, this is higher than in almost any other European Union country, despite being one of the richest countries in the world.

We seek to learn the lessons of the previous decade, where prosperity bypassed the worst-off and welfare dependency took root across the country. Good intentions failed to translate into effective policies. The previous Government attempted to hit child poverty targets by paying out record amounts in welfare payments – £150 billion alone was spent on tax credits between 2004 and 2010, with the majority spent on families with children. Yet by 2009 progress on child poverty had completely stalled. And between 1998 and 2009 poverty for working-age adults actually increased by 800,000, and social mobility showed little sign of improving.

This is a strategy founded on the understanding that poverty is about far more than income. The previous Government attempted to hit poverty targets by paying out more and more in welfare payments so as expenditure grew poverty for working-age adults increased and mobility failed to improve. Vast sums of cash were spent but the rungs on the ladder to prosperity didn't move any closer together. Previous Ministers announced they had made progress on child poverty but actually for too many their life chances did not alter. This is because the causal problems were never addressed.

Furthermore, the previous Government created perverse effects around an arbitrary focus on the 60 per cent median income line. By transferring cash to make good on short-term relative income effects they entrenched benefit dependency, delivering both poor outcomes for society and a poor return for the taxpayer.

Limited social returns were delivered despite significant income transfers leaving the taxpayer with an unmanageable level of debt. Facing a critical fiscal position, we must secure more effective social investment for better and more sustainable social outcomes and life chances, and this strategy sets a new approach for the next decade and detailed actions and commitments for 2011 to 2014.

With a focus on fairness and personal responsibility, not cash handouts, this is the responsible choice in this fiscal climate. Our long-term strategy for the decade ahead is to protect the most vulnerable and reform welfare so *work pays* as a sustainable route out of poverty.

First, we must ensure that families can work themselves out of poverty – if they do the right thing we will make sure the system makes work pay.

Around 55 per cent of children who are currently in poverty are living in working families. By moving all working age benefit claimants onto the Universal Credit from 2013-2017 we expect to move around 600,000 adults and 350,000 children out of poverty.

The Universal Credit will support those who do the right thing, who take a full time job, to have an income which lifts them out of poverty. Our proposed design should enable most families with children who have a parent in full time employment to have an income that lifts them out of poverty. The same should apply for lone parents who work at least 24 hours per week or more. What this means is that we are creating a system which helps people work themselves out of poverty, a fair system that rewards responsibility, not a hand-out culture.

Second, we are concerned for children growing up in households where their parents cannot work. We will ensure the most severely disabled people with children, those who we do not expect to take steps to return to work, are able to live with dignity. We will bring forward proposals to take the next steps towards this goal within the reforms to disability payments. This is the hallmark of a fair and compassionate society.

Third, we will ensure that those not in employment receive the support needed to access the working environment so they can work themselves out of poverty – first through Jobcentre Plus, and second, through the Work Programme.

If their barriers to work are short term they will find support at Jobcentre Plus. If their barriers are medium term and more complex they will find support through the Work Programme. By continuing to ensure Jobcentre Plus delivers effective support matched by conditionality to help people back into work we seek to mobilise as many of the five million people on out-of-work benefits as possible – and for those who do not find their own way into work we will help them through our comprehensive Work Programme.

We recognise that some families face complex barriers to work, many of which cause intergenerational disadvantage. To address the root causes of poverty we will deliver early and effective interventions through the Work Programme targeted at vulnerable groups. We believe in a second-chance society and through the use of innovative local providers we will measure the providers' success and pay by results. Our goal is the same – sustainable employment. We will match this commitment with strong, fair and clear sanctions and conditions to deliver value for the taxpayer as we target the key drivers of poverty which blight the lives of so many families.

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In order to prevent another generation from growing up with the same barriers as their parents we are committed to investing early. For those who are able to work but not in employment our strategy is all about providing early intervention support to improve life chances. We want to break the cycle of deprivation too often passed from one generation to another. Our choices have been driven by our commitment to investment which secures outcomes and not just income transfers.

We will build on this by supporting and strengthening vulnerable groups and fragile families. Through our expanded network of health visitors, relationship education and other positive initiatives, such as our national families with multiple problems campaign, we will ensure a vulnerable child's desire to be raised by their parents in a loving safe home has more of a chance of being a reality in 2020 than it does today.

Critically, on education, we will raise children's aspirations and narrow the gaps in attainment which play such a crucial role in defining children's future lives, led by the Fairness Premium, including the Pupil Premium, and the Social Mobility Strategy.

Taken together, this is a clear expression of this Coalition Government's programme, designed to secure a Welfare State which works for everyone – those in-work, those unable to work and those who need help to reach work.

Poverty is about more than income, it is about a lack of opportunity, aspiration and stability. As poverty covers this broad range of issues, we believe that the aims of the Child Poverty Act – to dramatically reduce levels of child poverty in the UK – will not be achieved through simply throwing money at the perceived symptoms. This approach has been exhausted, not only failing to turn the tide on income poverty, but worse still, exacerbating the problem by suppressing incentives to work and keeping families in cycles of entrenched deprivation. A new and strengthened approach is needed which places the emphasis on tackling the powerful drivers that keep the most disadvantaged families from leaving poverty behind.

It is now more important than ever to secure optimum returns on investment spending. Whereas the previous decade saw increased welfare payments achieve little but marginal changes in income our focus on employment brings lasting improvements for children as they benefit from a positive role model, a healthier and happier family, and a more stable home life.

So our strategy for poverty is about *transforming lives* not just maintaining them on marginally higher incomes.

In promoting social justice for those who find themselves cut adrift we reinforce our commitment to social mobility to enable everyone to fulfil their potential.

Government cannot undertake this transformation on its own, but we can help enable progress through reform, more effective incentives and innovative programmes. We will ask the voluntary and private sectors to help us as we set out further plans for securing a cultural shift in the public sector to deliver better social returns from our spending.

With dynamism and commitment from the private, voluntary and community sectors, we will prioritise structural reform to drive a transformation in the lives of those families whose situation is most affected by poverty. These groups are those currently facing entrenched and multiple disadvantages, which act as destructive barriers to their

children's futures. This is our aim for social justice, and is the best starting point for long-term and sustainable progress. By unlocking the barriers of entrenched poverty, we can reinforce social mobility in supporting all families to achieve their ambitions, and break the link between parental and child disadvantage.

The following strategy has been put together across government and covers the period 2011-14, capturing the breadth of flagship policies and reform programmes put in place to tackle poverty. In setting down our commitments for the next three years and our aspirations to deliver our goals for 2020 and beyond we hope to provide clarity on our endeavour to achieve social justice by transforming the lives of families struggling at the bottom of the social ladder and underpinning our wider approach to improving social mobility.

Progress is needed on both fronts in order to achieve success in eradicating child poverty and our vision of a fair society.



Iain Duncan Smith
Secretary of State for Work and Pensions

Foreword



When the Coalition came to power, in May last year, we knew we were inheriting a dire economic and fiscal situation and a legacy of stalling progress on ending child poverty. The previous Government's intentions were good, but they had failed to deliver on tackling the long-term causes of poverty.

This first national Child Poverty Strategy fulfils our obligations under the Child Poverty Act 2010 to set out plans for tackling child poverty from 2011-14. It provides a framework for ending child poverty by 2020, and delivers a comprehensive three year plan to lay the foundations for a new and more effective approach.

At its heart are strengthening families, encouraging responsibility, promoting work, guaranteeing fairness and providing support to the most vulnerable. It requires a radical reform of the welfare state, increasing children's life chances, a greater emphasis on early intervention, and a concentration on whole-family and whole-life measures.

We want to change behaviour and ensure that there is a stronger focus on policies that genuinely benefit children and families. We are clear that, particularly in the current fiscal environment, evidence-based practice and services that can genuinely transform lives must drive local prioritisation. We have freed up policy delivery to target local need because we have seen how imposing solutions from above stifles innovation and detracts from local priorities. And we are pushing power away from the centre to local government, communities, and voluntary groups who help those families who struggle to make their voice heard.

We will be introducing new measures in the strategy to help us track progress. Our new indicators, in addition to those in the Child Poverty Act, will continue to recognise the importance of income but will also capture a broader understanding of both the causes and consequences of poverty.

Work has already begun. The Fairness Premium, which will provide £7.2 billion in the next three years to help the most disadvantaged children get a better education, is now beginning. We will be introducing the Universal Credit, which will make the benefit system fairer and simpler, soon. We are already making good progress towards getting the right systems in place.

The breadth of this strategy, and the Social Mobility Strategy *Opening Doors, Breaking Barriers* launched by the Deputy Prime Minister, show that ending child poverty is about pulling together all our energy and resources to transform families' lives. It is only by a broad and comprehensive strategy and empowered communities that children's lives can really be changed, and the 2020 targets achieved.



Sarah Teather
Minister of State for Children and Families

Summary

1. This is the Government's first national *Child Poverty Strategy*, setting out a new approach to tackling poverty for this Parliament and up to 2020. At its heart are strengthening families, encouraging responsibility, promoting work, guaranteeing fairness and providing support to the most vulnerable.
2. It is set against the backdrop of the Child Poverty Act 2010, which established income targets for 2020 and a duty to minimise socio-economic disadvantage. This strategy meets the requirement to set out the proposed measures to make progress between 2011 and 2014. It is also set against the backdrop of a Spending Review that placed a very high priority on improving the life chances of children and the protection of vulnerable families, while also making crucial progress in reducing the nation's fiscal deficit.
3. This Government is committed to eradicating child poverty but recognises that income measures and targets do not tell the full story about the causes and consequences of childhood disadvantage. The previous Government's focus on narrow income targets meant they poured resources into short-term fixes to the symptoms of poverty instead of focusing on the causes. We plan to tackle head-on the causes of poverty which underpin low achievement, aspiration and opportunity across generations. Our radical programme of reform to deliver social justice will focus on combating worklessness and educational failure and preventing family and relationship breakdown with the aim of supporting the most disadvantaged groups struggling at the bottom of society.
4. Addressing the root causes of poverty and not just the symptoms means recognising the importance of the context in which a child is raised, alongside factors including education and income. That is why we are committed to supporting strong families. We also know that effective parenting is critical to enabling children to flourish. As part of this Government's drive to make our society more family-friendly, this strategy also sets out how we will enhance relationship and parenting support.
5. This, alongside a drive to achieve higher social mobility for all, and help families out of poverty and onto and up the ladder, is our strategy for eradicating child poverty once and for all.
6. We have benefited from a wealth of expert input: from our consultation '*Tackling child poverty and improving life chances: Consulting on a new approach*'; and independent reviews by Frank Field MP and Graham Allen MP.
7. We will measure the success of our approach to tackling child poverty through a new set of indicators including, but not limited to, the income targets set out in the Act. We will work on developing new life chances indicators, taking account of Field's recommendations and those in Dame Clare Tickell's review of the Early Years Foundation Stage.

Chapter One – A New Approach

- Analyses the scale and structure of the problem we are facing.
- Explains why failure to address the underlying drivers of child poverty undermined previous attempts to tackle the issue.
- Identifies principles for a more effective and sustainable strategy to tackle child poverty through improving children's life chances, making work pay and taking a place-based approach to ensure services are tailored to local need.

Chapter Two – Supporting Families to Achieve Financial Independence

- Describes the benefits of work for families' material, social and emotional well-being.
- Sets out how we will reform the system to remove financial disincentives to work.
- Highlights the support we will offer parents to find work – support which is tailored to the particular barriers they face.
- Sets out help for families to improve their financial management and avoid unmanageable debt to underpin our work-centred approach.
- Sets out how we will track progress against the approaches in this chapter.

Chapter Three – Supporting Family Life and Children's Life Chances

- Explains the importance of going beyond income to consider the family, home environment, housing, early years, education and health.
- Sets out how we will reform funding structures to enable early, sustained, decentralised and targeted support for children and families.
- Explains the importance of enabling children to achieve their potential by improving their attainment, aspiration and progression at all stages of education and empowering practitioners to have more impact on the most disadvantaged young people.
- Recognises the role played by the NHS and other services in improving health outcomes and opportunities of disadvantaged children and families, and highlights improvements planned to the provision of physical and mental health support for children from conception onwards.
- Addresses the specific barriers facing the most vulnerable groups of children.
- Sets out how we will track progress against the approaches in this chapter.

Chapter Four – The Role of Place and Transforming Lives

- Acknowledges that children's experiences of poverty vary by community, and that solutions need to be tailored appropriately.
- Sets out the Government's principles and reforms around localism and the Big Society in relation to child poverty and the role partners can play in making real and sustainable differences to their communities.
- Explains the requirements of the Child Poverty Act for local partners and the specific activities that will enable and empower local partners and communities to go further to support the neediest families in their areas, for example through Community Budget approaches.
- Outlines the importance of local partners engaging with their communities on how they support the most disadvantaged groups and the role of greater transparency and accountability.

Chapter Five – Translating Our Vision into Reality

- Recaps the aims, approaches and key policies underlying the first national Child Poverty Strategy.
- Sets out our measurement approach against these aims and how we will track and monitor progress over the first strategy.
- Outlines the planned reforms to the Social Mobility and Child Poverty Commission to broaden the scope and improve the accountability function.
- Places the UK national strategy in the context of the strategies being developed by local authorities in England and the strategies developed by the devolved administrations.

Chapter One: A New Approach

Chapter One sets out the scale of the problem we face:

- The state of the nation: an analysis of current levels of poverty and disadvantage in the UK.
- The underlying key drivers of poverty across generations, and its impact on families, local communities and wider society.
- Why the old approach to tackling child poverty failed to address these drivers.

This is followed by our principles for a more effective and sustainable strategy. This new approach entails a co-ordinated effort to achieve social justice and increase social mobility through radical structural reform:

- A stronger focus on ensuring that families who are in work are supported to work themselves out of poverty, families who are unable to work are able to live with dignity and not entrenched in persistent poverty, and that those who can work but are not in work are provided with services that will address their particular needs and help them overcome barriers to work.
- A stronger focus on improving children's future life chances, by intervening early to improve the development and attainment of disadvantaged children and young people throughout their progression to adulthood.
- A stronger focus on place and delivering services as close to the family as possible, by empowering local partners and ensuring that local diversity can be recognised, and developing strong local accountability frameworks.

Tackling child poverty through social justice and social mobility

- 1.1 On entering government last year we stated upfront our clear commitment to ending child poverty in the UK. It is unacceptable that in one of the most developed economies in the world millions of children have their lives blighted by deprivation. It is our moral duty to support all children to be productive, healthy and happy members of society, and we are determined to achieve this goal.

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- 1.2 **Poverty is about more than income; it is about a lack of opportunity, aspiration and stability.** This means that meeting the objective of the Child Poverty Act 2010, to eradicate child poverty in the UK, will not be achieved by simply throwing money at the symptoms. This approach was too heavily relied on by the previous Government. Worse, it has exacerbated the problem by weakening incentives to work for some groups and preserving cycles of entrenched deprivation. Our new strategic direction is focused on the powerful drivers which keep the most disadvantaged families stuck in cycles of poverty and will be strengthened by targeted local action.
- 1.3 As the Social Mobility Strategy, *Opening Doors, Breaking Barriers*,¹ sets out, social mobility is about supporting all families to achieve their ambitions and overcome the barriers that see parental disadvantage too often translate into childhood disadvantage. Social justice is about stabilising the lives of particularly vulnerable families; those struggling at the bottom of the social ladder. Progress is needed on both these agendas to achieve success in eradicating child poverty, and achieve our vision of a fair society, in line with the commitments within the Child Poverty Act.

Box 1.1 – The Child Poverty Act 2010

The Child Poverty Act 2010 sets four income-based UK-wide targets to be met by 2020. The targets are based on the proportion of children living in households with:

- relative low income (this measures whether the incomes of the poorest families are keeping pace with the growth of incomes in the economy as a whole) – the target is less than 10 per cent;
- combined low income and material deprivation (this is a wider measure of living standards) – the target is less than 5 per cent;
- absolute low income (this measures whether the poorest families are seeing their income rise in real terms) – the target is less than 5 per cent; and
- persistent poverty (this is defined by the Act as living in relative poverty for at least three of the last four years) – the target is to be set in regulations by 2015.

The Act requires the Government to publish a strategy outlining its plans to meet these targets and to ensure, as far as possible, that no child experiences socio-economic disadvantage.

¹ HM Government (2011), available from www.cabinetoffice.gov.uk

Working with local, national and international partners

- 1.4 The devolved administrations are key partners in tackling the root causes of poverty and have each published strategies to achieve this.² These strategies differ in detail, given the differing contexts and the needs of their communities, but have an underlying shared purpose which we are working together to achieve.
- 1.5 Consultation on our strategy has generated a wide and varied mix of independent and local views.³ Through this process, and by commissioning additional research, we have gathered the views of children and young people, including those with direct experience of disadvantage.^{4,5} We also commissioned two expert independent reviews: Frank Field looked at child poverty and children's life chances,⁶ while Graham Allen's review considered early intervention.⁷ This has provided us with a widely-informed, detailed evidence base, which has been used to develop our new approach.
- 1.6 The Government warmly welcomes the Frank Field and the Graham Allen reviews which have reinforced our commitment to improving children's life chances. The Government also welcomes the recent publication of Dame Clare Tickell's report on the Early Years Foundation Stage which will contribute to our policy development in this area.⁸ It is our responsibility to give all children the opportunities to achieve their potential. The quality of care and support for early learning that children receive in their early years can make a real difference to their later outcomes.
- 1.7 This strategy deals with specific recommendations made by Frank Field, whilst the Social Mobility Strategy sets out the Government's high level response to both Frank Field and Graham Allen's recommendations. We will issue a policy statement on the early years later in the year which will provide a further response to both these reviews, and to Dame Clare Tickell's recommendations.
- 1.8 This strategy is in line with our duties under the UN Convention on the Rights of the Child. We will also draw from the Equality Measurement Framework⁹ developed by the Equality and Human Rights Commission to provide us with an important future baseline of evidence on the aspects of inequality which matter most for children and families.

² Welsh Strategy: <http://wales.gov.uk/docs/dsjlg/policy/110203newchildpovstrategy2en.pdf>; Scottish Strategy: <http://www.scotland.gov.uk/Resource/Doc/344949/0114783.pdf>; Northern Irish Strategy: http://www.northernireland.gov.uk/final_child_poverty_strategy_-_agreed_by_executive_-_22_march_2011.pdf

³ The consultation response can be found at www.education.gov.uk/childpovertystrategy

⁴ Undertaken by Bath University, and submitted as part of the consultation process

⁵ Undertaken by the Office of the Children's Commissioner; results formed part of the consultation responses

⁶ Field, F (2010) *'The Foundation Years: preventing poor children becoming poor adults: The report of the Independent Review on Poverty and Life Chances'*

⁷ Allen, G (2011) *'Early Intervention: the next steps'* An Independent Report to Her Majesty's Government. <http://www.dwp.gov.uk/docs/early-intervention-next-steps.pdf>

⁸ Tickell, C (2011) *'The Tickell Review: The early years: Foundations for life, health and learning'*

⁹ www.equalityhumanrights.com/key-projects/equality-measurement-framework

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- 1.9 We have published an Equalities Statement which describes how the preparation of this strategy has taken account of equality matters, shows headline equality data that have been considered in relation to child poverty and identifies related equality analyses from across government.¹⁰

The state of the nation

- 1.10 The UK faces unacceptably high levels of poverty and disadvantage:

- 5.3 million people suffer from multiple disadvantage.¹¹
- 1.9 million children live in workless households in the UK.¹²
- Parents' income is a major predictor of children's future income, more so than in a number of other OECD (Organisation for Economic Co-operation and Development) countries.¹³

- 1.11 Based on the targets in the Child Poverty Act, the latest statistics show:

- 2.8 million children (22 per cent) were in relative income poverty in 2008/09.
- 2.2 million children (17 per cent) were in both low income and material deprivation in 2008/09.
- 1.6 million children (12 per cent) were in absolute poverty in 2008/09.¹⁴
- Around 12 per cent of children lived in persistent low income (i.e. in relative poverty for three out of four years) between 2005 and 2008.¹⁵

- 1.12 The measure of material deprivation and low income refers to the proportion of children in households with incomes below 70 per cent of median household income and who experience material deprivation (a lack of basic goods and services). Despite efforts to move families above the relative income line, there has been no sustained impact made on the number of children (2.2 million) in households experiencing both low income and material deprivation since 2004.

- 1.13 In 2009, the UK had higher than the OECD inequality average for material well-being, although it was ranked close to the OECD inequality average in both education and health well-being. This put the UK in the group of countries in the bottom two-fifths for overall inequality.¹⁶ The UK has a higher proportion of

¹⁰ The Equalities Statement can be found at www.education.gov.uk/childpovertystrategy

¹¹ Cabinet Office (2010) 'State of the Nation' Based on Analysis by Strategy Unit and Social Exclusion Task Force using BHPS 2007 data. Being at risk of multiple disadvantage entails being disadvantaged at any one time in three or more of six areas from the wider definition of multiple disadvantage which uses the following indicators: either live in a workless household or are unemployed; are either in income poverty or material disadvantage or financial stress; lack social support; either have poor physical or mental health; either live in poor housing or a poor living environment; have low qualifications

¹² Office for National Statistics (2011) 'Work and Worklessness among Households 2010', ONS Statistical Bulletin

¹³ OECD (2010) *Economic Policy Reforms: Going for Growth, Chapter 5: A Family Affair: Intergenerational Social Mobility across OECD Countries*, pp 6-8

¹⁴ Department for Work and Pensions (2010) *Households Below Average Income: An analysis of the income distribution. 1994/95 – 2008/09*

¹⁵ Department for Work and Pensions (2010) *Low Income Dynamics*

¹⁶ European Union – Statistics on Income and Living Conditions data 2009

children living in workless households than almost any other EU country.¹⁷ Our differing position in relation to other countries against these measures shows that there is significant scope for improvement: current levels of disadvantage are not inevitable. Change is possible.

The dynamics of poverty

- 1.14 Static poverty measures, taken at a point in time, only take us so far. Tracking movements through poverty over time shows that some experience relative low income for a sustained period (those persistently poor), others for only a short time (transiently poor), whilst some families cycle in and out of poverty (recurrently poor).
- 1.15 For many families, the move above the relative income poverty line reflects only a small increase in their income. This ‘cycling’ in and out of the poverty statistics can bear little real relevance to families’ actual, often sustained, experience of disadvantage and continual vulnerability. Over half of working people exiting relative poverty (moving above the 60 per cent median income line) only move into the 60-70 per cent bracket, whilst two-thirds of working people entering relative poverty move down from the 60-70 per cent bracket.¹⁸

The intergenerational cycle of poverty

- 1.16 Poverty can be such a destructive force because of its long-term grip on families and communities, holding them back generation after generation. The disadvantages and barriers that parents experience are the source of this long-term impact. These barriers have a detrimental effect on children’s progression and well-being, which can impact right through into their adulthood, in turn affecting the subsequent generation. The way that disadvantage perpetuates is shaped by the experiences, attainment and outcomes of children growing up in socio-economic disadvantage and by the way that negative parental activities experienced through childhood may repeat in adulthood.¹⁹

Employment gaps

- 1.17 Growing up in a workless family often has persistent effects later in life and is correlated with future worklessness. For children, experience of life in a workless family is associated with lower educational attainment and reduced aspiration to gain employment themselves.²⁰

17 Eurostat. (2011) based on 2009 data:

<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&plugin=1&language=en&pcode=tsisc080>

18 Browne & Paull (2010) *‘Parents’ Work Entry, Progression and Retention and Child Poverty’* DWP Research Report 626. Note this publication is based on the Family and Children Study rather than the British Household Panel Survey which has historically been used to provide analysis of poverty dynamics.

<http://research.dwp.gov.uk/asd/asd5/rreports2009-2010/rrep626.pdf>

19 Allen, G (2011) *‘Early Intervention: the next steps’* An Independent Report to Her Majesty’s Government.

<http://www.dwp.gov.uk/docs/early-intervention-next-steps.pdf>

20 Ermisch, J, Fransesconi, M & Pevalin, D (2001) *‘Outcomes for Children of Poverty’*, DWP Research Report No. 158

Page, D (2000) *‘Communities in the Balance: The reality of social exclusion on housing estates’*, Joseph Rowntree Foundation

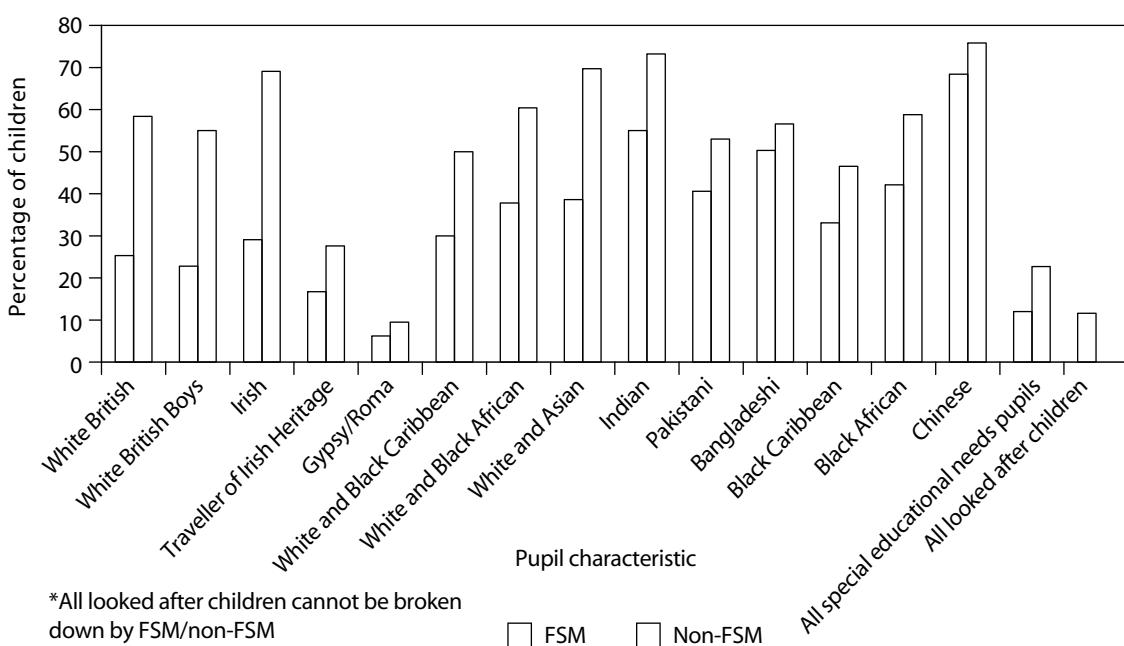
Family experiences

- 1.18 Much academic literature²¹ demonstrates that adverse childhood experiences can have a detrimental influence on a number of outcomes. In his independent review,²² Graham Allen pointed to evidence that adults who had experienced neglect and/or abuse showed higher levels of violence and antisocial behaviour,²³ adult mental health problems,²⁴ school underperformance and lower IQ, economic underperformance and poor physical health.

Education gaps

- 1.19 Figure 1.1²⁵ shows attainment gaps between children eligible for Free School Meals²⁶ and their peers. It also shows the difference in attainment between children from different groups. This highlights how socio-economic disadvantage has a significant impact on children's attainment.

Figure 1.1: Percentage of Free School Meals/non-Free School Meals pupils achieving 5+ GCSEs A*-C (including English and maths) by characteristics 2009/10



- 1.20 As outlined in Chapter Three, these attainment gaps often carry over into poor adult outcomes. For example, children on Free School Meals in Year 11 were more

21 Anda RF, et al (2006) 'The enduring effects of abuse and related adverse experiences in childhood: A convergence of evidence from neurobiology and epidemiology' European Archives of Psychiatry and Clinical Neuroscience 256(3): 174–86

22 Allen, G (2011) 'Early Intervention: the next steps' An Independent Report to Her Majesty's Government. <http://www.dwp.gov.uk/docs/early-intervention-next-steps.pdf>

23 Hosking GDC and Walsh IR (2005) 'The WAVE Report 2005: Violence and what to do about it.' Croydon: WAVE Trust.

24 Anda RF, et al. (2006) 'The enduring effects of abuse and related adverse experiences in childhood: A convergence of evidence from neurobiology and epidemiology.' European Archives of Psychiatry and Clinical Neuroscience 256(3): 174–86

25 Department for Education (2010) GCSE and Equivalent Attainment by Pupil Characteristics in England, 2009/10, and Department for Education (2010) Outcomes for Children Looked After by Local Authorities in England, as at 31 March 2010

26 Children eligible for Free School Meals are those whose parents are in receipt of certain benefits, such as Employment Support Allowance and Income Support. It is used as a proxy indicator of children growing up in low-income households (but is currently under review)

likely than those not in receipt of Free School Meals to become NEET (Not in Employment, Education or Training) in the following three years.²⁷

Health gaps

- 1.21 As identified by the independent Marmot Review on health inequalities,²⁸ poor health is linked to low socio-economic status – the so-called ‘social gradient’. There are concentrations of people with both shorter life expectancy and greater disability in some of the poorest areas of England, with many of the people living in these areas bearing a higher burden of ill health.
- 1.22 A boy born in Kensington and Chelsea has a life expectancy of over 84 years; for a boy born in Islington, less than five miles away, it is around 75 years.²⁹ Poor health acts as a barrier to education and work. Therefore, existing gaps in health outcomes contribute to cycles of wider disadvantage.

Those most at risk of disadvantage and poor outcomes

- 1.23 Certain groups within society are over-represented amongst families experiencing, or at risk of, relative income poverty. For example:
- There are around 800,000 children in families with a disabled member in relative poverty. The proportion of children in relative poverty is significantly higher in families where at least one member is disabled (29 per cent) than families where no one is disabled.³⁰
 - Children from black and minority ethnic families are almost twice as likely to live in relative poverty as children from white families.³¹
 - There are 1.1 million children in lone parent families living in relative poverty, accounting for 34 per cent of children in lone parent families.
 - There are 1.1 million children in large families (those with three or more children) living in relative poverty, accounting for 31 per cent of this group.³²
- 1.24 Some experiences of poverty are more deep-seated. This is apparent in the variation between groups in their likelihood of living in persistent poverty. Between 2005 – 2008:
- Disabled adults were twice as likely to be in persistent poverty compared with non-disabled adults.
 - Around 38 per cent of children in workless households experienced persistent poverty compared with 12 per cent of all children.

²⁷ Department for Education (2010) *Youth Cohort Study and Longitudinal Study of Young People in England: The Activities and Experiences of 18 year olds: England'*

²⁸ Marmot, M (2010) *'Fairer Society, Healthy Lives: strategic review of health Inequalities in England post 2010.'* See www.marmotreview.org

²⁹ Office for National Statistics – Period Life Expectancies. See <http://www.statistics.gov.uk/cci/nugget.asp?id=1898> for a detailed description of life expectancy methodologies

³⁰ Households Below Average Income (2008-09)

³¹ Households Below Average Income (2008-09)

³² Department for Work and Pensions (2010) *'Households Below Average Income: An analysis of the income distribution '94/95-'08/09'*

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- Around 23 per cent of children in lone parent families experienced persistent poverty compared with around 12 per cent of all children.
 - Around 27 per cent of children in rented accommodation experienced persistent poverty compared with around seven per cent of children in owner-occupied accommodation.³³
- 1.25 Some families face particular barriers to working their way out of poverty.
For example:
- Disabled people are more than twice as likely to not hold any formal qualifications than are non-disabled people. Around half of disabled people of working age are not in employment. Of these, two in five would like to work.³⁴
 - Research has shown that certain ethnic minority groups (notably those from Pakistani, Bangladeshi and Black African groups) face greater difficulties in accessing work compared to the majority of the population.³⁵
 - Language barriers or low/unrecognised qualifications can make finding work difficult for refugees.³⁶ This, combined with the disruption and likely trauma suffered, can make work seem out of reach for a number of these families.
 - Groups such as lone parents and large families may face particular issues with childcare responsibilities³⁷ which can make entering work seem particularly challenging.
- 1.26 Some groups of children are at particularly high risk of poor attainment and developmental outcomes, which can then feed through to poorer outcomes during and after transition into adulthood. This may be due to the barriers faced by children or by their parents. While progress has been made in narrowing gaps for some groups this hasn't gone far enough; large differences still exist.
For example:
- Amongst Gypsy, Roma and Traveller children, Looked After Children and those with Special Educational Needs, educational attainment is unacceptably low.^{38,39} Those children who are young carers for a member of their family are also more likely to have poor educational outcomes.⁴⁰

33 Department for Work and Pensions (2010) '*Low income dynamics*'

34 This figure includes both unemployed and economically inactive people. 'ONS Household Labour Force Survey Quarter 2 2010'

35 Heath and Cheung (2006) '*Ethnic penalties in the labour market: employers and discrimination*'. DWP RR. 341

36 Department for Work and Pensions (2002) '*Refugees opportunities and barriers in employment and training*' pp. 2-9

37 Department for Education (2009) '*Childcare and early years survey of parents*'

38 Department for Education (2009-10) '*GCSE and Equivalent Attainment by Pupil Characteristics in England*'

39 Department for Education (2010) '*Outcomes for Children Looked After by Local Authorities in England, as at 31 March 2010*'

40 Department for Education (2010) '*Youth Cohort Study of Young People in England: The activities and experiences of 18 year olds: England 2009*'

- Young people who have been in care are at greater risk of not being in employment, education or training.⁴¹ This reflects their troubled family background, sometimes compounded by instability in care placements which can pose additional burdens and barriers, particularly in the transition to adulthood.
 - Involvement in the criminal justice system at a young age can have serious consequences for a young person's future. There is a positive correlation between the levels of deprivation⁴² in an area and the recorded crime levels.⁴³
 - Children who have a parent in prison have twice the risk of developing behavioural problems and poor psychological health than children who have not had a parent in prison.⁴⁴ Children of prisoners also have three times the risk of anti-social/delinquent behaviour compared to their peers.⁴⁵
 - Children born to teenage mothers are 63 per cent more likely to live in poverty than children born to mothers in their twenties, and are themselves more likely to become teenage parents.⁴⁶ Children from low income families are more likely to become teenage parents. In 2009, one in five 18 year old girls who were eligible for Free School Meals in Year 11 had been pregnant once, compared to one in ten girls not eligible for Free School Meals.⁴⁷
- 1.27 Experience of multiple risk factors can make an escape from poverty all the more difficult and service intervention more complex, putting families at greater risk of sustained poverty.

The failure of the old approach to tackling child poverty

- 1.28 The previous administration focused heavily on the relative income measure as the headline indicator of poverty. This had unintended consequences. It did not distinguish between those families furthest from the poverty line and those just below the line. As a result, it did not sufficiently recognise progress being made with families suffering the most entrenched disadvantage but still living in poverty. The four income targets in the Act together go some way to addressing that balance, but still do not account for all the non-income-based dimensions that can act as predictors or causes of poverty.
- 1.29 The heavy emphasis on income led to an approach that was first and foremost focused on raising families' income as both the means and the end of tackling disadvantage. It is obviously the case that increasing families' income means they have greater choice in goods and services, and no strategy to tackle child poverty

⁴¹ Department for Children, Schools and Families (2009) 'Children Looked After in England (including adoption and care leavers) year ending 31 March 2009'

⁴² HM Revenue and Customs (2008) 'Local Child Poverty Measure'

⁴³ British Crime Survey (BCS) 'Local Authorities: Recorded crime for seven key offences 2008/09 to 2009/10'

⁴⁴ Murray J, et al (2009) 'Effects of Parental Imprisonment on Child Antisocial Behaviour and Mental Health: A Systematic Review.' Campbell Collaboration.

⁴⁵ Murray, J and Farrington, DP (2008) 'Effects of Parental Imprisonment on Children.' In Tonry, M (ed.) 'Crime and Justice: A Review of Research.' Chicago: University of Chicago Press.

⁴⁶ Mayhew, E and Bradshaw, J (2005) 'Mothers, babies and the risks of poverty,' Poverty, No.121 pp 13-16

⁴⁷ Department for Education (2010) 'Youth Cohort Study of Young People in England: The activities and experiences of 18 year olds: England 2009.'

could ignore this. But a fixation on moving families above an arbitrary line risks distorting public spending towards short-term approaches, which provide a small statistical gain, whilst failing to provide the life-transforming support that disadvantaged families need.

- 1.30 As well as being ineffective in the longer term, relying solely on income transfers to end poverty is also expensive. The Institute for Fiscal Studies estimated that reducing relative child poverty rates to 10 per cent in 2020 solely through the tax and benefit system would cost around £19 billion.⁴⁸ Our aim is to improve the life chances of children in lower-income families, and we believe that the most sustainable way to do this is to invest in the public services which they use, and to monitor the progress of those children more closely. Child poverty has a wide-scale impact, bringing high costs for communities and local services. Tackling the issue successfully will in turn bring wide-ranging benefits.

Laying the foundations for change

Focusing on the causes of poverty

- 1.31 It is clear that many of the major barriers that disadvantaged families struggle to overcome are complex and that families require support from a wide range of different, traditionally separate, services. **Our structural reform programme aims to create a system that is joined-up both across government and through local areas and organisations.**
- 1.32 Evidence on the key drivers suggests that our approach to tackling the causes of intergenerational cycles of poverty must include:
- **tackling worklessness:** reforming the welfare system so that people are able to work their way out of poverty;
 - **tackling debt:** building financial capability among families to support informed decision making and the avoidance of debt;
 - **strengthening families:** enhancing relationship and parenting support to strengthen family relationships and the home environment;
 - **tackling educational failure:** improving educational attainment, through a new focus on the early years, and the introduction of the Pupil Premium, so that schools are empowered and incentivised to help the most disadvantaged pupils achieve; and
 - **tackling poor health:** introducing a public health approach based on the life course for addressing the wider social determinants of health and building self-esteem, confidence and resilience from infancy with stronger support for the early years.

48 IFS press release, 'Cost of cutting child poverty rises as families fall further below poverty line,' 18 February 2009

Focusing delivery in communities

- 1.33 **Increasingly, we are ensuring that services provide a spectrum of timely, appropriate and effective support, comprised of:**
- a universal offer of support, which recognises that all families need help at certain times, such as at the birth of a child;
 - targeted support for those in disadvantaged circumstances such as those with particular barriers to employment or school achievement; and
 - specialist intensive engagement with families facing entrenched and multiple problems, such as addiction and offending.
- 1.34 The system that this Government inherited placed too much emphasis on micro-managing individual local services, rather than driving good outcomes for families. Our reforms will strip away bureaucracy and give local partners the freedom to focus on the needs of communities whilst being held accountable for achieving positive outcomes for families. This in turn will help us achieve our national child poverty objectives.

Broadening measurement to reflect the new approach

- 1.35 The Child Poverty Act was passed in 2010 with cross-party support. The Coalition Government remains committed to meeting its requirements, including the headline goal of eradicating child poverty by 2020. We recognise the importance of the income measures set out in the Act, but this strategy requires a broader approach, focused on measures that genuinely track changes and improvements in families' lives.
- 1.36 The new child poverty indicators set out in this strategy include, but go beyond, the income targets set out in the Act. They are focused on: family resources, family circumstances and children's life chances, in order to ensure that no child experiences socio-economic disadvantage.
- 1.37 The new indicators are described in more detail in Chapters Two, Three and Five and Annex A sets out the set of child poverty indicators in full. The success of this first strategy for 2011-14 will be judged by positive directional improvements in these measures, which correspond to targets in legislation and our new strategic priorities.
- 1.38 As part of this new approach we will also monitor, where we can, the prevalence and impact of those behaviours that can be so damaging to a child's well-being or life chances such as parental addiction. We must also ensure that we continue to develop our understanding of the factors most closely associated with the progress that children make throughout the early years, in education, and in adult life. Chapter Five sets out developments in this area.
- 1.39 In line with the overall approach, and as recommended by Frank Field in his independent review, we will have an increased focus on the very poorest in this strategy. The four targets in the Child Poverty Act capture a range of measures of low income including persistence and material deprivation but more is possible using existing data sources. We will therefore monitor, over the course of this

strategy, the impact of policies on those in the most severe poverty living in households with income below 50 per cent of median income who also experience material deprivation. This, better than the headline indicators set out in the Act alone, reflects those in the deepest poverty.

- 1.40 This leads us to our first set of child poverty indicators capturing family resources. Full definitions are provided in Annex A.

Child poverty indicators (1): Family resources

Income targets in the Act:

The proportion of children that are living in households experiencing:

- (1) relative low income
- (2) combined low income and material deprivation
- (3) absolute low income
- (4) persistent poverty

Supplementary severe poverty measure:

The proportion of children that are living in households experiencing:

- (5) very low income and material deprivation

Improving accountability and the role of a commission

- 1.41 Following our consultation, the Child Poverty Commission will be replaced by a new **Social Mobility and Child Poverty Commission**. The broader scope of the new commission will reflect the Government's new approach, recognising the crucial links between child poverty, children's life chances and social mobility. Chapter Five sets this out in more detail.
- 1.42 More broadly on accountability, the Government's push on greater transparency will enable local areas to make better use of the existing data available to assess local child poverty needs and will also allow local people to scrutinise local service provision. Reforms to top-down performance and accountability frameworks will increasingly focus on a stronger value-for-money test, particularly in areas that can have the greatest social returns by targeting disadvantaged groups and intervening early, building on new frameworks such as payment by results and social impact bonds.

Chapter Two: Supporting Families to Achieve Financial Independence

Evidence shows that work is generally good for the health and well-being of parents, brings social and emotional benefits to their children and, of course, provides a source of income for the family. This Government wants to support all those who can work to work, and believes that the system should reward them for doing so.

This chapter outlines what we are doing to:

- remove financial disincentives to work from within the tax and benefits system so that we create a system which rewards people who do the right thing and work themselves out of poverty;
- support parents who can work, but currently do not, through the provision of support tailored to their specific barriers;
- help families to improve their financial management and avoid unmanageable debt and stress; and
- track progress over the lifetime of this strategy in supporting families to achieve financial independence.

2.1 In Chapter One we outlined the challenge that we face. This chapter makes clear our offer of support for those in work, those out of work who can work and those who are unable to work. It also sets out the action we are taking to tackle debt and financial exclusion to allow those on low incomes to make the most of what they have and avoid unmanageable debt.

The impact of parental worklessness

2.2 As well as being a major source of income, work generally improves people's well-being and mental and physical health, with positive implications for their children. Conversely, being out of work, especially for long periods of time, can

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have a devastating impact upon people's confidence, relationships, health and well-being.⁴⁹

- 2.3 Having one or both parents in work can contribute to eroding intergenerational cycles of poverty. Research has revealed a strong, positive association between parents' occupational status and the probability that their children would gain A-Level qualifications.⁵⁰ In addition, children of lone parents reported the benefits of parental employment, noting that the increased status associated with having a parent in paid work can increase their own self-esteem.⁵¹
- 2.4 The risks of poverty, material deprivation and wider disadvantage are much higher in families where no one works. For a child in a workless household, the risk of being in relative poverty (59 per cent) is far higher than the risk for children in families where all adults work (eight per cent).⁵²
- 2.5 We recognise that income matters. Respondents to our consultation were emphatic that, while our approach should improve children's life chances, we should also take steps to improve the situation of families living in income poverty now.
- 2.6 Work, where possible, is the most effective way to do this and evidence shows that work is the best route out of poverty. Overall, around two-thirds (65 per cent) of all parents in poverty who enter work move out of poverty. This varies by work pattern: 46 per cent move out of poverty for part time work and 80 per cent for full time work.⁵³

Rewarding work

- 2.7 However, many families who do work also experience poverty. Fifty-five per cent of all children living in relative poverty (1.5 million children) in the UK live in a family where at least one adult is in some form of paid employment. This proportion has been increasing in recent years.⁵⁴
- 2.8 In response to our consultation, stakeholders expressed concern that this strategy should not neglect children living in working households. Through our reforms we are creating a system which helps people work themselves out of poverty.
- 2.9 **The Universal Credit will support those who do the right thing, who take a full time job, to have an income which lifts them out of poverty.** Our proposed design should enable most families with children who have a parent in full time employment (at least 35 hours a week) to have an income that lifts them out of

49 Waddell, G and Burton, K (2006) *'Is Work Good for your Health and Well-Being?* The Stationery Office; Black, C (2008) *'Working for a healthier tomorrow: Dame Carol Black's Review of the health of Britain's working age population'*

50 Ermisch, J and Francesconi, M (2001) *'The effect of parents' employment on outcomes for children'* Joseph Rowntree Foundation

51 Millar, J and Ridge, T (2006) *'A fine balance: managing work and family life,'* Poverty, Autumn 2006, 125:15-17

52 Households Below Average Income 2008-09

53 Browne, J and Paull, G (2010) *'Parents' Work Entry, Progression and Retention, and Child Poverty'* DWP Research Report 626

54 Households Below Average Income 2008/09

poverty. The same should apply for lone parents who work at least 24 hours per week.⁵⁵

- 2.10 We are also using the income tax system to enable families to keep more of what they earn. In the June 2010 Emergency Budget we announced a £1,000 increase in the income tax personal allowance from £6,475 in 2010-11 to £7,475 in 2011-12, as part of our wider plans to make work pay.
- 2.11 A further £630 increase in the personal allowance was announced in Budget 2011, taking it to £8,105 in 2012-13. Together, the increases in the personal allowance announced by this Government will benefit 25 million individuals and take 1.1 million individuals out of tax from April 2012.

Our commitment to growth

- 2.12 Economic growth provides people with new employment opportunities and better living standards. **We are deeply committed to the sustainable, long term growth of the economy** and at Budget 2011 published *The Plan for Growth*. This outlined our commitment to rebalancing the economy and creating the right conditions to support a recovery led by the private sector.⁵⁶
- 2.13 While businesses are the key drivers of growth, the Government can help create the conditions for businesses to start out, invest, grow and be profitable; create an enterprise culture where everyone with talent is inspired to turn ideas into successful enterprises; and get rid of existing barriers to growth. The new Regional Growth Fund will help those areas currently dependent on high levels of public sector employment to grow their local economies with greater private sector employment. The establishment of Enterprise Zones, based on the core principle of reducing barriers to business, will generate both businesses and jobs and, in doing so, help rebalance the economy and drive local and national growth.

Progressing in work

- 2.14 **Once in work, we want to help people get on.** To do so we will draw on existing evidence on what works to improve job retention and career advancement⁵⁷ and help to share learning from locally designed initiatives to support these aims.⁵⁸ Later in this chapter we outline the action we are taking to support a family

55 This analysis is modelled on the Department for Work and Pensions Policy Simulation model (based on Family Resources Survey 2008/09) 2014/15, assuming Universal Credit is fully in place. The modelling includes Council Tax Benefit in Universal Credit and excludes childcare and passported benefits. This is on the same basis as the analysis published in the Universal Credit White Paper. The model assumes a Spending Review 2010 baseline. The analysis assumes full take-up of benefits, CPI uprating of benefits to 2014/14 and minimum wage uprated by earnings to 2014/15. Hours of work are defined as at least 24 hours for a lone parent and at least 35 hours for one parent of a couple family with children. The analysis finds a number of families who are working the defined hours but remain in measured low income. The vast majority include self-employed parents with wages below national minimum wage or high levels of deductions from gross income (i.e. pension contributions, student loan repayments or child maintenance contributions) or capital of more than £16,000. The analysis does not include the dynamic effects, for example, of increased employment.

56 HM Treasury and Department for Business, Innovation and Skills (2011) *'The Plan for Growth'*

57 The Employment Retention and Advancement (ERA) programme aims to determine, through a randomised trial, whether ERA has succeeded in improving job retention and career advancement outcomes for people on low incomes. A full ERA evaluation report looking at five year impacts and cost and benefits associated with the programme will be published by DWP during spring 2011

58 Learning from the child poverty pilots (including evaluation reports) is being shared on the Department for Education website, the Child Poverty Community of Practice and will inform the work of the Child Poverty Core Offer partners

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friendly working environment. For families experiencing in-work poverty these policies can facilitate an increase in hours and help to maximise family income.

- 2.15 In November 2010 the Government published *Skills for Sustainable Growth*, which sets out a vision for radical reform of the skills system based on the Coalition principles of fairness, responsibility and freedom. Because learners, not the state, must be in the driving seat, we will give people the funding, support and information they need to make the right choices about their future. We will expect learners and employers to share responsibility by contributing towards the costs of intermediate and higher level training. We will target support towards those who need it most and will ensure those who have left school without basic literacy and numeracy skills have access to free high-quality training.

We welcome the emphasis on employment and skills. We also know that training for employment (for example maths or ICT) can also help people improve their softer skills such as financial literacy.

Tower Hamlets Partnership – response to the consultation

- 2.16 Good careers guidance is a powerful tool for increasing aspiration and progression. We are creating an all-age careers service to improve the life chances of the next generation.

Supporting those who cannot work

- 2.17 The risk of persistent poverty can be particularly acute for families where no-one is able to work and the family has to live on a low income for a long time.
- 2.18 Under the current system, people who claim Employment and Support Allowance and who are in the Support Group receive extra financial support. However, the amounts paid are not very different from the amounts paid to people who are expected to be able to work in the future.
- 2.19 **This Government wants to ensure that those disabled people who face the greatest barriers to work are able to live independently and with dignity.** We will bring forward proposals to take the next steps towards this goal within the reforms to disability payments.

Tackling the unemployment trap

- 2.20 There are 1.3 million children in the UK living in relative poverty in families where no one works.⁵⁹ Given the right incentives and support we believe that many parents in these families could work. Our reforms seek to create the right conditions to encourage them to do so.
- 2.21 Under the current benefits system people can be little or no better off financially from entering work. We are tackling this through fundamental reform of the system, by replacing six complex and interacting benefits with a single Universal Credit, to be introduced from 2013.

⁵⁹ Households Below Average Income 2008/09

- 2.22 By combining in-work and out-of-work support and ensuring that benefits are withdrawn at a simple, single rate as earnings increase, the Universal Credit will make the financial transition into work simpler and easier to understand. It will also enable parents to keep more of their income before benefits are withdrawn. In return, they should do everything that can reasonably be asked of them to prepare for or find work.
- 2.23 Respondents to our consultation suggested that we should make part-time working a more viable option for parents. The Universal Credit will support parents who take jobs of less than 16 hours a week. This should particularly benefit disabled parents and those with health conditions who may only be able to do small or fluctuating amounts of work.
- 2.24 We estimate that as many as 350,000 children could be moved out of relative poverty as a result of these changes in entitlement and increased take-up. An estimated 2.7 million households will have higher entitlements, with over 1 million receiving over £25 a week more. Approximately 1.7 million households will have lower entitlements (75 per cent of these will have a reduction of less than £25 per week). However, transitional protection will ensure that no-one receives a cash reduction in their benefit.⁶⁰
- 2.25 We are also making changes to Housing Benefit to help ensure that work pays more than benefits. A key focus of these reforms is to remove the barrier to work that has been created by families being able to live in more expensive properties when claiming benefit than they would otherwise be able to afford. We also expect landlords to reduce rents as a result of these reforms. To support this drive, we are extending local authority discretion to pay benefits to the landlord in certain circumstances.
- 2.26 We have allocated £190 million to local authorities over the Spending Review period to help support families experiencing short-term disruption in the transition to the new Housing Benefit rules. This includes £130 million for the Discretionary Housing Payment scheme. We will monitor and evaluate the reforms, including impacts on different groups such as large families, families from ethnic minority groups and families with a disabled member.

Helping parents who can to move into work

- 2.27 We already provide highly effective support to parents actively seeking work, ensuring that around 75 per cent of Jobseeker's Allowance claimants leave the benefit within six months, and about 90 per cent leave within one year. The majority of those with known destinations leave for work.⁶¹
- 2.28 Respondents to our consultation expressed an interest in seeing devolution of decision-making within Jobcentre Plus services to allow greater flexibility and locally driven approaches to parental worklessness and skills. From April 2011, Jobcentre Plus managers and Personal Advisers will identify the most suitable

⁶⁰ For more information on the effect of the introduction of Universal Credit and changes in entitlement, see the Welfare Reform Bill Impact Assessment: <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-bill-2011/index.shtml>

⁶¹ Office for National Statistics (Claimant Off-Flows, February 2010 – February 2011, accessed through Nomis)

support for individuals on Jobseeker's Allowance and will work with colleges, training providers and employers to form a locally-determined range of provision. In return for this support, benefit recipients will be required to meet certain back-to-work expectations, agreed with their Personal Adviser.

Helping disadvantaged groups through the Work Programme

- 2.29 For parents who are long-term unemployed (12 months or more), or most at risk of long term worklessness, our new integrated Work Programme will provide intensive personalised support. Providers will be paid according to the outcomes they achieve and will be given clear incentives to focus their resources on the hardest-to-help customers. They will have the freedom to design and implement innovative services which focus on individuals' needs.
- 2.30 Certain groups facing particular disadvantage in the labour market will be able to benefit from early referral to the Work Programme:
- Anyone claiming Income Support, most of whom are lone parents, will be able to volunteer at any point.
 - Incapacity Benefit and Employment Support Allowance recipients will be able to volunteer at any point.
 - For young people aged 18 to 24 years, referral will be compulsory after nine months of claiming Jobseeker's Allowance.
 - Ex-offenders will be able to volunteer, with the agreement of their Jobcentre Plus Adviser, from three months into their Jobseeker's Allowance claim.
- 2.31 Where parents face additional challenges, such as involvement with the criminal justice system or substance abuse, the journey into work will usually involve tackling those underlying issues, thereby benefiting their children on two fronts.

Moving lone parents into work

- 2.32 The majority of lone parents who are in receipt of benefits claim Income Support which requires attendance at Work Focused Interviews every six months. Lone Parent Obligation requires lone parents to claim Jobseeker's Allowance, where they have more active job search requirements, once their youngest child reaches a certain age. This has been gradually rolled out since November 2008. Previously, lone parents could claim Income Support on the basis of being a lone parent until their youngest child reached 16 years. This threshold age now stands at seven years. In the June 2010 Budget we announced that from January 2012 Lone Parent Obligation would be further extended to lone parents with children aged five years and over.⁶²
- 2.33 Evaluation suggests that claiming Jobseeker's Allowance may have a positive effect on people's attitudes to work and job search behaviour. Many lone parents reported that they were more likely to look for work on Jobseeker's Allowance

62 Once that age is reached, lone parents without other income may claim Jobseekers Allowance, or Employment Support Allowance if they are disabled or have a health condition, subject to medical assessment. Those eligible for Carers Allowance or those with a child receiving the middle or higher rate care component of Disability Living Allowance may continue to claim Income Support

than Income Support, in part because of the more active Jobseeker's Allowance regime.⁶³

Supporting disabled people and those with health conditions

- 2.34 We want to ensure that disabled people who can work are supported to do so, while providing unconditional support to those who need it most. As of April 2011 we are reassessing people on Incapacity Benefits using the Work Capability Assessment; identifying those who are capable of work and can be supported back towards employment.
- 2.35 Work Choice, introduced in October 2010, is specifically tailored for disabled people. It provides consistent, quality support to help them prepare for, enter and retain employment. We are also committed to reforming the Access to Work programme so that disabled people can apply for jobs with funding already secured for any adaptations and equipment they will need.
- 2.36 We have asked Liz Sayce (Chief Executive of the Royal Association for Disability Rights) to lead an independent review of our specialist disability employment programmes. She will report in summer 2011 and is expected to make recommendations on how we can provide more personalised support to disabled people and improve value for money.
- 2.37 We are taking cross-government action to improve the health of working age people and to support disabled people and those with health conditions to stay in employment. For example, we are funding employment advice and employment co-ordinators within therapy services. These co-ordinators will work with Jobcentre Plus, employers and occupational health schemes to help people with depression or anxiety stay in work or find employment.

Work as a goal for those dependent on drugs and alcohol

- 2.38 Previous research shows that up to 350,000 children in the UK have parents who are problem drug users.⁶⁴ Drug and alcohol dependence is strongly associated with worklessness. In England it is estimated that 80 per cent of those who are heroin or crack cocaine users, and 160,000 people dependent on alcohol, are on benefits.⁶⁵ Many drug users live in disadvantaged communities in conditions of poverty and social exclusion.⁶⁶
- 2.39 A fundamental difference between our approach to addiction recovery and the previous administration's approach is that instead of focusing primarily on reducing the harms caused by drug misuse, we will offer every support for people to choose recovery as an achievable way out of dependency. We are determined to break the cycle of dependence on drugs and alcohol and the wasted opportunities that result. Individuals do not take drugs in isolation from what is

63 Gloster, R et al. (2010) '*Lone Parent Obligations: early findings of implementation as well as experiences of the Income Support and Jobseeker's Allowance Regimes*', DWP Research Report No. 645

64 Advisory Council on the Misuse of Drugs (2003) '*Hidden Harm: Responding to the needs of children of problem drug users*'

65 Home Office (2010) '*Reducing Demand, Restricting Supply, Building Recovery: Supporting People to Live a Drug Free Life*', p. 23

66 Advisory Council on the Misuse of Drugs (2003) '*Hidden Harm: Responding to the needs of children of problem drug users*'

happening in the rest of their lives. The causes and drivers of drug and alcohol dependence are complex and personal. The solutions need to be holistic and centred around each individual, with the expectation that full recovery is possible and desirable. This is extremely important for children who are growing up with an addicted parent.

- 2.40 Our aim is to increase the proportion of drug and alcohol dependent benefit claimants who successfully engage with treatment and rehabilitation services and ultimately find employment – a key contributor to a sustained recovery. For claimants who are dependent on drugs or alcohol, we will offer them a choice between rigorous enforcement of the normal conditions and sanctions associated with claiming benefits where they are not engaged in structured recovery activity, or appropriately tailored requirements to support those that are. From this April, if someone is attending residential rehabilitation for drug or alcohol misuse they are automatically eligible for Employment and Support Allowance.
- 2.41 In the Drug Strategy, we said we would explore how recovery outcomes could be better incentivised.⁶⁷ This includes looking into how payment by results could deliver better outcomes for adults in recovery. Pilot sites have been selected and we are working with partners to design a scheme.

Reaching families through joined-up services

- 2.42 Many families need support from a range of services. A holistic, joined-up approach to providing that support is crucial. **We are committed to strengthening links between services**, for example, by encouraging the co-location of employment support with children's centres and other services. The case study (box 2.1) illustrates the gains from such an approach.

Box 2.1 – Jobcentre Plus outreach

Child Poverty Pilots have been testing whether providing Jobcentre Plus support through children's centres and schools is an effective means of engaging parents in labour market activity. Interim evidence found that participants welcomed the holistic and person-centred approach of Personal Advisers in children's centres, in particular the accessibility and convenience of helpful, sympathetic and trust-building advice and support services. When describing the School Gates project one parent said "you don't get that support anywhere else" and another said "'just a mum' was exactly how I saw myself when I started on a course. I got a lot out of the course and it gave me more confidence. Now I'm looking forward to the future, going on a few courses and getting a job, so thank you."

- 2.43 Some families are particularly hard to reach through the established channels and services. Outreach providers, working with local authorities and other partners, will be best placed to identify these families, understand their needs and develop the most appropriate strategies to support them.

⁶⁷ Home Office (2010) *'Reducing Demand, Restricting Supply, Building Recovery: Supporting People to Live a Drug Free Life'*, p. 23

Balancing work and family life

- 2.44 We believe more can be done to create a culture in which it is easier for parents to combine paid work and family life. This includes access to family friendly employment as well as affordable, quality early education and childcare.
- 2.45 Chapter Three details provision of free early education for 3 and 4 year olds and disadvantaged 2 year olds. Government can also help to mitigate the costs of additional childcare directly through financial support, as is the case within the current Tax Credit system.
- 2.46 The Government is working with stakeholders to establish how it can improve and simplify the way it supports parents with the cost of childcare in Universal Credit. We will aim to provide some support for those making their first move into work, so that the support available is not restricted to those working more than 16 hours, in a way that remains fair and affordable.
- 2.47 Teenage parents in education and work based learning in 2011/12 will continue to receive support through the Care to Learn scheme which provides funding for childcare. Independent evaluation of the scheme suggested that around three quarters of Care to Learn recipients could not have gone on a course without childcare support.⁶⁸
- 2.48 As respondents to our consultation noted, inflexible working practices are a barrier for many people seeking employment. Employers have an important role to play in making workplaces more family friendly. Flexible working can bring benefits to both them and their employees. The best businesses already understand that offering flexible working helps to attract and retain quality staff and can improve profit margins. We are committed to extending the right to request flexible working to all employees. We will also look at non-legislative approaches to encourage employers to operate in a more flexible way and promote innovative ways to help people find out about opportunities that meet their needs.

Employers need to realise that well-paid staff with opportunities for in-work training and a family-friendly work environment are more engaged, more motivated and more likely to be loyal to the company.

City and County of Swansea – response to the consultation

Supporting money management

- 2.49 Unmanageable personal debt can drive a cycle of poverty and distress that is very difficult for families to escape. It reduces household income available to spend, creates further pressures on parents and relationships, and in the most extreme cases has a significant impact on the quality of life and life chances for children.

⁶⁸ Centre for Economic and Social Inclusions and Ipsos MORI (October 2010) *'The impact of Care to Learn: tracking the destinations of young parents funded in, 2008/09, 2007/08 and 2006/07'*

Enabling people to handle their money effectively is absolutely essential to protecting them from the danger of uncontrollable debt and the devastating effect that this can have on life for both individuals and families.

Credit Action – response to the consultation

- 2.50 Poorer households are particularly vulnerable to over-indebtedness and those in the lowest income band are twice as likely (18 per cent) to be in structural arrears (more than three months behind on any bill or payment) than households overall (9 per cent).⁶⁹ The likelihood of being in arrears is also substantially above average for lone parent households (27 per cent), households living in rented accommodation (19 per cent) and those where one or both adults are unemployed (22 per cent).⁷⁰
- 2.51 **Building financial capability – the ability to understand and manage money – is essential to help people be financially independent.** Changes in circumstances, such as having children, can make financial management more challenging. Having a baby is associated with financial problems increasing, regardless of household income levels,⁷¹ and those with children score much lower on keeping up with bills than those without.⁷² We are empowering individuals to take control of their finances by:
- providing a free and impartial national money advice service to increase levels of financial literacy delivered through the Money Advice Service (formerly the Consumer Financial Education Body);
 - encouraging industry to provide financial products that are easy to understand and compare, including annual statements that set out the costs of servicing a credit card and a new range of simple financial products; and
 - maintaining funding for face-to-face debt advice through Citizens Advice Bureaux and other independent agencies in 2011-12 to enable individuals facing financial difficulty to get advice early.
- 2.52 People on low incomes often end up paying more for the services they need because they cannot access mainstream financial products. Over 1.1 million households do not have access to a transactional bank account. Numbers are particularly high amongst lone parent households, those living in social rented accommodation, and those in the poorest 20 per cent of households.⁷³
- 2.53 Credit unions bring affordable financial services to people who would otherwise be unable to access them, helping people to save, pay off debts and learn to manage their finances. Subject to a feasibility study, a modernisation and expansion fund of over £70 million over the next four years will support those

⁶⁹ Department for Business, Innovation and Skills (2010) 'Over-indebtedness in Britain: Second follow-up report'

⁷⁰ Ibid

⁷¹ Taylor, M (2009) 'The Impact of Life Events on Financial Capability: Evidence from the BHPS', Financial Services Authority Consumer Research 79

⁷² Atkinson, A et al. (2006) 'Levels of Financial Capability in the UK: Results of a baseline survey', Financial Services Authority Consumer Research 47

⁷³ Financial Inclusion Taskforce (2010) 'Banking Services and Poorer Households'

credit unions which are ready and prepared to expand their service to many more people. The study will report in September 2011, until which time existing support for credit unions will continue.

- 2.54 Loan sharks prey on some of our most vulnerable communities and we are working with specialist teams in England and in Wales and Scotland to tackle the problem of illegal lending. Just over £5 million for this project has been announced for 2011/12.
- 2.55 The Consumer Credit Directive, which came into force in February 2011, introduces new and powerful protections for consumers. Two separate Government reviews will address issues in the regulation of consumer credit.⁷⁴

What success looks like

- 2.56 Alongside the income measures set out in Chapter One, **we will track and monitor progress on achieving our overarching aim of getting people into work; ensuring that young people are established in the labour market; whilst taking steps to help people to progress in work and achieve financial independence.** The headline indicators on promoting work and increasing employment therefore cover:
 - children living in workless households;
 - in-work poverty; and
 - the successful transition of young adults into education, training and employment.
- 2.57 Further details of these measures are set out below and in Annex A. They are collected through established survey or administrative sources. Consistent with the Government's overall transparency agenda, we will not be setting specific targets for these measures but will instead track progress in the short term towards our longer term goals to end child poverty.
- 2.58 Alongside these indicators, we will aim to deepen our understanding over the lifetime of this strategy of other issues linked to the pathways into poverty that can lead to the greatest difficulty. In particular we will look for reduced numbers of families affected by issues such as drug and alcohol dependency, problem debt and family instability (see Chapter Three).

⁷⁴ The first aims to address issues in the current regulatory framework that require urgent attention and the second is to consult on the merits of transferring responsibility for consumer credit regulation from the Office of Fair Trading to the new Financial Conduct Authority (FCA).

Child poverty indicators (2): Family circumstances

Parental employment:

The proportion of children living in workless households.

The proportion of children who are in families where at least one person works yet still remain in relative low income.

Successful transitions of young adults:

The percentage of 18 to 24 year olds:

- (1) participating in part-time or full-time education or training; and
- (2) not in full-time education or training who are not in employment.

Chapter Three: Supporting Family Life and Children's Life Chances

A focus solely on household income is likely to overlook other factors that are crucial for children's longer term development and that can compound disadvantage over time. A sustainable approach to tackling child poverty needs to address a wide range of factors such as family, home environment, health and education, as Frank Field recognised in his review. Intervening early to support children's development and attainment acts as insurance for the future by improving life chances; helping children to progress and preventing them from becoming the next generation of disadvantaged parents.

Our strategy to improve children's life chances focuses on:

- reforming funding structures to ensure early, sustained, decentralised and targeted support for children and families and empowering practitioners to do more for the most disadvantaged young people;
- supporting strong, stable families and positive home learning and physical environments;
- enabling children to achieve their potential by improving their attainment, aspiration and progression at all stages of education;
- improving health outcomes by improving NHS, public health and social care provision and focusing on the provision of physical and mental health support for children from conception onwards; and
- addressing specific barriers facing the most disadvantaged groups of children such as Looked After Children, children from some ethnic groups, children with Special Educational Needs and teenage parents.

Reforming funding structures

- 3.1 **We have introduced a new funding structure**, recognising the importance of early, sustained, decentralised and targeted support to empower families and communities and to set children up for positive futures:
- **The Fairness Premium** aims to narrow educational attainment gaps by directing £7.2 billion towards disadvantaged children at key points: at aged 2, during the school years, and when moving into Higher Education.
 - **The Early Intervention Grant** is a new grant that brings together the funding for early intervention and preventative services for the most vulnerable children, young people and families. It is a pot of funding allocated to local authorities which is not ring-fenced, so that it can be used to address the particular issues affecting local communities.
 - **Community Budgets** will allow local areas to pool funding more effectively and so secure the joined-up approach needed to make an impact on complex issues for the most disadvantaged families (see Chapter Four for more detail).
 - **The Government's health reforms** are aimed at addressing poor health outcomes by improving life chances and tackling cycles of disadvantage.⁷⁵ This includes the Health Premium, which will incentivise local government and communities to improve health outcomes and reduce health inequalities for children and parents.

Supporting positive home environments

- 3.2 Many parents need support, but parents living in poverty can face particular stresses or barriers to providing the positive experiences their children need. **We believe children who grow up in strong, stable families with quality relationships in the home stand the best chance of a positive future.**
- 3.3 Children raised by parents reporting high relationship quality and satisfaction tend to have higher levels of well-being, while intense conflict between parents – whatever their relationship status – has been shown to be detrimental for children's outcomes.^{76,77} Some evidence suggests that children who have experienced parental separation are more likely to have greater risk of poor outcomes in areas such as education, psychological well-being and early school-leaving.⁷⁸ Relationships between parents and children can be affected by a parent experiencing relationship distress, such as at the point of separation.^{79,80} There is also research that has found those in step-families tend to have more negative outcomes than those whose parents were married or cohabiting or those in a lone parent family.⁸¹ Exactly how strong the correlation is, and how far there is a causal relationship between family type and child outcomes is the subject of much

⁷⁵ Department of Health (2011) *'Healthy lives, healthy people White Paper: Our strategy for public health in England'*

⁷⁶ Coleman, L and Glenn, F (2009) *'When Couples Part: Understanding the consequences for adults and children. One plus one'*

⁷⁷ Mooney et al. (2009) *'The Impact of Family Breakdown on Children's Wellbeing.'* DCSF Research Report 113

⁷⁸ Hawthorne et al. (2003) *'Supporting children through family change.'* Joseph Rowntree Foundation

⁷⁹ Mooney et al. (2009) *'The Impact of Family Breakdown on Children's Wellbeing.'* DCSF Research Report 113

⁸⁰ Hawthorne et al. (2003) *'Supporting children through family change.'* Joseph Rowntree Foundation

⁸¹ Ibid.

academic debate. But what is clear is that experiencing multiple relationship transitions can be particularly damaging to children.⁸²

- 3.4 A key part of our help for families is the provision of relationship support for couples. The Government has committed to increase the amount spent on relationship support to £7.5 million each year in 2011-2015 (£6 million of this is part of the overall Department for Education's Voluntary and Community Sector grant) to help couples who are experiencing difficulties in their relationship. As part of this, we are providing direct funding to trusted voluntary sector organisations to continue to provide family support services online and over the phone, which currently support over 350,000 families a month. This can be more convenient for families, and is designed to build a parent's confidence in their own abilities to handle times of change, challenge or crisis and strengthen their parenting skills.

Reducing the impact of family breakdown

- 3.5 Where a couple's relationship can be preserved we want to help them develop the skills to do so. Where a couple's relationship cannot be preserved, it is important that breakdown is managed in a way that ensures the best possible outcomes for children. The Family Justice Review is looking at the whole of the family justice system to help more parents make their own stable arrangements for their children after separation, including through the use of mediation and other approaches to dispute resolution.⁸³
- 3.6 We are reforming the child maintenance system so that it supports more parents to agree between themselves on arrangements for their child, including how to provide child maintenance amongst other issues. As set out in our recent consultation, *Strengthening families, promoting parental responsibility: the future of child maintenance*,⁸⁴ financial responsibility is important and involvement of both parents in children's lives is better for children on a range of outcomes.

We are supporting strong parenting

- 3.7 In his review, Frank Field drew attention to the importance of responsive parenting at an early age and highlighted the importance of a parenting approach which combines nurture and support with clear boundary-setting. Research has shown that parenting style is particularly important for child outcomes. A study from the Sutton Trust found that a parenting style which incorporated elements of rule setting and discipline as well as warmth and sensitivity was a strong predictor of gaps in vocabulary development between low and middle income children.⁸⁵ Graham Allen highlighted that warm, attentive, stimulating parenting strongly supports children's social, emotional and physical development.⁸⁶

82 Rodgers, B and Pryor, J (1998) *'Divorce and Separation: The Outcomes for Children'*. York: Joseph Rowntree Foundation

83 www.justice.gov.uk/publications/family-justice-intro.htm

84 Department for Work and Pensions (2011) *'Strengthening families, promoting parental responsibility: the future of child maintenance'* available online: <http://www.dwp.gov.uk/docs/strengthening-families.pdf>

85 Waldfogel, J and Washbrook, E (2010) *'Low income and early cognitive development in the UK'* Sutton Trust

86 Allen, G (2011) *'Early Intervention: the next steps'*

- 3.8 A key influence on the early development of children is what has become known as the 'home learning environment'^{87,88} in other words the activities that parents undertake with pre-school children. Evidence also shows that children's development is linked to aspects of the home such as the aspirations of parents and children, the level of education that their parents achieved⁸⁹ and the level of conflict in the adult couple relationship.
- 3.9 Promoting good parenting is not primarily a job for the Government. **What is needed is a much wider culture change towards recognising the importance of parenting, and how society can support mothers and fathers to give their children the best start in life.**
- 3.10 Parents want to be able to turn to trusted organisations for support and advice at times of stress or difficulty. The Department for Education is providing around £60 million in grant allocations for voluntary and community organisations each year in 2011-12 and 2012-13. This will help support the delivery of national priorities for children and young people including parenting support and mediation.
- 3.11 We know that many families (not just those with young children) would welcome more information and support with raising their children. We want to see a culture where the key aspects of good parenting are widely understood, and where all parents recognise that they can benefit from advice and support on parenting skills. Just as many new parents choose to access ante-natal education, we want access to parenting advice and support once a child is born to be considered the norm.
- 3.12 We welcome Graham Allen's recommendation that the public, parents, health professionals and, especially, newly pregnant women should be aware of the importance of developing social and emotional capability in the first years of life. This includes understanding the best ways of encouraging good later outcomes for children. We agree that a broad-based alliance of interested groups, charities, employers and foundations would be best placed to take this forward and the Government would be happy to work with such a consortium to support this.
- 3.13 The Family Nurse Partnership is an intensive evidence-based programme that improves outcomes for vulnerable children and families.⁹⁰ It is offered to young mothers, beginning in early pregnancy and ending when the child is 2 years old. The programme is being delivered in over 50 sites across England and over 6,000 families have benefited. The Government wants to expand Family Nurse Partnerships across England, doubling the number of places available by 2015,

⁸⁷ Sylva et al. (2004) 'The Effective Provision of Pre-School Education [EPPE] Project.' Department for Education and Skills

⁸⁸ The EPPE project developed an index to measure the quality of the home learning environment. There are a range of activities that parents undertake with pre-school children which have a positive effect on their development. For example, reading with the child, teaching songs and nursery rhymes, painting and drawing, playing with letters and numbers, visiting the library, teaching the alphabet and numbers, taking children on visits and creating regular opportunities for them to play with their friends at home, were all associated with higher intellectual and social/behavioural scores.

⁸⁹ Crawford, et al. (2010) 'Explaining the socio-economic gradient in child outcomes: the intergenerational transmission of cognitive skills.' IFS. Working Paper 10/16

⁹⁰ Olds, DL (2006) 'The Nurse-Family Partnership: an evidence-based preventive intervention.' Infant Mental Health Journal, 27(1), 5-25

working alongside health visitors and Sure Start Children's Centres. The family nurses build supportive relationships with families and guide first-time teenage parents so that they adopt healthier lifestyles for themselves and their babies, provide good care for their babies and plan their futures, helping them to overcome adverse life experiences. Evaluation of the first cohort of children aged 2 years found early signs that the families were very positive about their parenting capability, reporting high levels of warm parenting and low levels of harsh discipline.⁹¹

Improving parents' learning and skills

- 3.14 Improving the level of parents' basic literacy and numeracy skills has a knock-on effect on children's progression⁹² as well as improving outcomes for parents themselves. Respondents to our consultation recognised this and considered supporting parents' learning and skills to be an important part of improving the life chances of children and their future employment opportunities.
- 3.15 We also recognise that the more engaged parents and families are in the education of their children, the more likely their children are to succeed in the education system. Frank Field recommended that more should be done to encourage parental engagement with their children's learning.
- 3.16 We are funding two family learning programmes for the most disadvantaged families. Family Literacy Language and Numeracy programmes and Wider Family Learning programmes improve parents' skills and their understanding of how to support children's development. We will also review the way in which parenting and relationships are taught in schools through our review of the wider Personal Social Health and Economics Education framework.
- 3.17 The Family Nurse Partnerships' work with teenage parents includes a focus on improving parents' economic self-sufficiency. From early in pregnancy the programme helps young parents to create a new life story for themselves and make plans for education or employment. The formative evaluation of the first cohort of families suggested that parents had increased belief about their capacity to control their life and were returning to education and employment.⁹³

Supporting families with multiple problems

- 3.18 It has been estimated that there are around 120,000 families in England with multiple problems.⁹⁴ **Turning round the lives of these families is a core element of our strategy.** In a speech to Relate on 10 December 2010, the Prime Minister recognised the importance of getting these families back on their feet and into

91 Barnes J (2010) '*The Family-Nurse Partnership Programme in England: Wave 1 Implementation in toddlerhood and a comparison between Waves 1 and 2a implementation in pregnancy and infancy.*' [www.dh.gov.uk/en/
Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_123238](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_123238)

92 De Coulon et al. (2008). *Parents' Basic Skills and their Children's Test Scores.* National Research and Development Centre for Adult Literacy and Numeracy

93 Barnes J (2010) '*The Family-Nurse Partnership Programme in England: Wave 1 Implementation in toddlerhood and a comparison between Waves 1 and 2a implementation in pregnancy and infancy.*' [www.dh.gov.uk/en/
Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_123238](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_123238)

94 Cabinet Office (2007) '*Families at Risk Background on families with multiple disadvantages.*' Having multiple problems is defined as having five or more problems from a basket of seven indicators including being in a workless household, overcrowding, maternal mental health problems, long standing limiting illness, low income and ability to afford basic items of food and clothing

work, and set the ambition to try to turn around every troubled family in the country.

- 3.19 The Prime Minister has appointed Emma Harrison, an entrepreneur who specialises in getting jobseekers into work, to lead part of the work to support families with multiple problems. *Working Families Everywhere*, a new campaign set up by Harrison, will work with a number of local authorities in Community Budget areas to test out and share learning from a new approach to supporting families into employment. Local authorities that work with Working Families Everywhere will receive funding from the Department for Education to cover the costs of employing Family Champions. The Family Champion is a new type of worker who will provide direct support to families, building their confidence and job seeking/work-related skills, brokering employment links, finding job opportunities and providing in-work support.
- 3.20 We have developed a three-pronged approach to support local areas in delivering this ambition:
- Investing to test and share: supporting a series of Exemplar Projects to test out new and innovative ways of working with families with multiple problems.
 - Breaking down barriers: by establishing a first phase of Community Budgets for families with multiple problems in 16 areas in April 2011, with the plan to roll these out to all areas over this Parliament. Community Budgets allow areas to pool resources to help provide more joined up solutions for troubled families.
 - Learning from Success: identifying ways to share emerging knowledge about what works and drive the development of more effective practice.
- 3.21 Family Intervention Services and other multi-professional models like Westminster's Family Recovery Project are operating in most local authorities and have helped turn around the lives of thousands of families with multiple problems – reducing child poverty, antisocial behaviour, truancy, and youth crime, keeping children and young people out of the care system, and getting them back into school and college. Intensive family interventions have also had some success in preventing family breakdown.⁹⁵
- 3.22 Partnerships between local authorities and health providers are implementing Multi-Systemic Therapy, an intensive, evidence-based community and family intervention which targets young people at risk of out-of-home placement in care or custody. Outcomes to date indicate that the programme improves young people's engagement in education and training, reduces the likelihood of them re-offending, increases parents' confidence and also the likelihood that parents will engage in work or training.⁹⁶ A Department of Health study will report on this in 2012/2013.

95 Department for Education (2010) 'Monitoring and Evaluation of Family Intervention Projects to March 2010'
<http://www.education.gov.uk/rsgateway/DB/STR/d000956/osr09-2010.pdf>

96 Brandon Centre (www.brandon_centre.org.uk). Manuscript in preparation

Supporting Looked After Children

- 3.23 In the rare cases where families are unable to provide the nurturing environment that a child needs, the state must ensure this role is provided. We have commissioned the Munro Review of child protection to make recommendations to improve the quality of child protection services. The Review looks at those children receiving effective protection from abuse and neglect, as well as at children and families who have not yet met the threshold for child protection. This is alongside a programme of sector-led work to improve the speed of decision making, drive improvements in children's homes, and disseminate evidence-based practice of what really makes a difference to these children's lives.

Improving housing and the local environment

Without a stable, decent home; secure and free from disrepair, parents often struggle to provide a stable and nurturing environment for their children to develop and thrive.

Shelter – response to the consultation

- 3.24 **Having a stable, good quality home to live in is a basic necessity.** Children in bad housing conditions are more likely to have long-term ill health, slow physical growth and delayed cognitive development.⁹⁷ A review by the British Medical Association highlighted the links between housing and a range of physical and mental health issues. Poor quality housing is associated with reduced mental well-being and housing conditions in childhood can have a long-term impact on health, even if conditions improve.⁹⁸ Local authorities and others expressed particular concerns about this in the consultation. To address this we are:
- investing £4.5 billion to help deliver up to 150,000 new affordable homes including bringing empty homes back into use;
 - investing £2 billion in social homes to bring homes up to a decent living standard;
 - giving local authorities the freedom to make better use of social housing through control of their own income, expenditure and planning process;
 - giving social tenants more power through a stronger role in local tenants' panels to hold landlords to account;
 - maintaining homelessness prevention funding to local authorities and the voluntary sector.⁹⁹ A Ministerial Working Group is also looking at ways to engage homeless people and, amongst other outcomes, support them into employment; and

⁹⁷ Harker, L (2006) 'Chance of a lifetime: The impact of housing on children's lives'. London: Shelter. [HTTP://ENGLAND.SHELTER.ORG.UK/PROFESSIONAL_RESOURCES/POLICY_LIBRARY/POLICY_LIBRARY_FOLDER/CHANCE_OF_A_LIFETIME_-_THE_IMPACT_OF_BAD_HOUSING_ON_CHILDRENS_LIVES](http://england.sHELTER.ORG.UK/professional_resources/policy_library/policy_library_folder/chance_of_a_lifetime_-_the_impact_of_bad_housing_on_childrens_lives)

⁹⁸ British Medical Association (2003) 'Housing and health: building for the future'

⁹⁹ Department for Communities and Local Government <HTTP://WWW.COMMUNITIES.GOV.UK/HOUSING/HOMELESSNESS/>

- publishing a housing strategy in the summer setting out our overall approach to housing policy, including how we are supporting an increase in the supply and quality of new private and social housing to help those seeking a home of their own, whether to rent or buy.
- 3.25 The wider community in which a child grows up can also influence their future outcomes. The poorer the neighbourhood, the more likely it is to have high rates of crime, poor air quality, lack of green spaces and safe places for children to play.¹⁰⁰ The report of the Government's champion for active, safer communities, Baroness Newlove, demonstrates the contribution communities can make to keeping their neighbourhoods safe and how services can support communities to lead this work.¹⁰¹
- 3.26 It is important that the availability of transport is not a barrier to children accessing opportunities or services. Our consultation with children highlighted this as a key issue. The Local Transport White Paper *Creating Growth: Cutting Carbon* sets out our vision for sustainable local transport that meets the needs of the community.

Improving attainment, aspiration and progression in childhood

- 3.27 Chapter One highlights how educational attainment and aspiration significantly influence children's life chances. Our Social Mobility Strategy outlines how we are trying to make ability and potential the driving determinants of adult circumstances. The current link between childhood disadvantage, children's educational outcomes and their adult circumstances, helps explain how poverty can continue into adulthood, and into the next generation of children. **This is why a drive to narrow existing attainment gaps, from the early years into young adulthood, is a key strand of our life-chance focused approach.**

Supporting children's early years

A concentrated focus on the Foundation Years and early intervention are key to tackling child poverty and intergenerational cycles of poverty.

National Day Nurseries Association – response to the consultation

- 3.28 The cognitive and non-cognitive skills developed throughout childhood¹⁰² are strongly associated with how children do at school and with their prospects of employment.^{103,104,105} Evidence suggests that school attainment is correlated to development as early as 22 months. Figure 3.1 demonstrates that, by age five, children from non-disadvantaged families who had low cognitive ability at age

100 Marmot, M (2010) *Fair Society, Healthy Lives*' p. 78

101 Baroness Newlove (2011) 'Our vision for safe and active communities'

102 Feinstein, L and Duckworth, K (2006) 'Development in the Early Years: Its Importance for School Performance and Adult Outcomes'

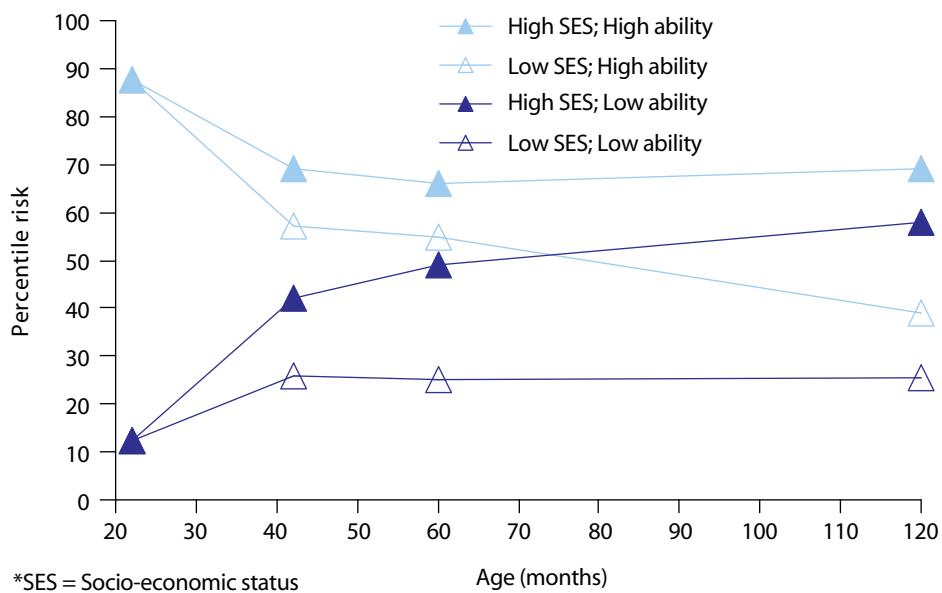
103 Carneiro, P et al. (2006) 'Which Skills Matter.' Centre for the Economics of Education. Discussion Paper 59

104 Carneiro, P et al. (2007) 'The impact of early cognitive and non-cognitive skills on later outcomes.' Centre for the Economics of Education. Discussion Paper 92

105 Blanden, J. Gregg, P and McMillan, L (2006) 'Explaining Intergenerational Income Persistence: Non-cognitive Skills, Ability and Education' Centre for Market and Public Organisation

two had almost caught up with high ability children from disadvantaged families.¹⁰⁶

Figure 3.1: Cognitive test scores by age and social class



Source: Feinstein, L (2003) 'Inequality in the early cognitive development of British children in the 1970 cohort' *Economica* 70, pp73-97

- 3.29 In his review, Frank Field recognised the fundamental importance of the early years in determining a child's life chances. We welcome his recommendation that national and local government should give greater prominence to the earliest years in life, establishing the early or 'Foundation Years' as of equal status and importance as primary and secondary school years, and increasing public understanding of how babies and young children develop and what is important to ensure their healthy progress in this crucial period.
- 3.30 Respondents to our consultation strongly stressed the need for good quality early years provision and, like the Field review, emphasised the potential long-lasting positive effects of narrowing the gaps between poorer and richer children in the early years. The most disadvantaged families are those who are least likely to access good quality early years education, even though they are the ones who can benefit most from it.¹⁰⁷ We are extending the offer of 15 hours a week free early education for the most disadvantaged 2 year olds, from 20,000 to 130,000 children from 2013. The universal offer of 15 hours per week of free early education for all 3 and 4 year olds will also continue.
- 3.31 Funding is available to the Children's Workforce Development Council in 2011-12 to fund Early Years Professional Status training and assessment places, in order to ensure good quality provision.

¹⁰⁶ Feinstein, L (2003) 'Inequality in the Early Cognitive Development of British Children in the 1970 Cohort.' *Economica*, vol 70, 277, pp. 73-97. Evidence based on 1970 cohort. Evidence from Millennium Cohort Study suggests a similar pattern occurring for children born in 2000 – see Blanden, J and Machin, S (2007) 'Recent changes in Intergenerational Mobility' Report for the Sutton Trust

¹⁰⁷ Speight et al. (2009) 'Childcare and Early Years Survey of Parents 2008.' DCSF Research Report 136

44 A New Approach to Child Poverty

- 3.32 We have maintained funding for Sure Start Children's Centres, as part of the Early Intervention Grant. Our reforms include:
- improving accountability arrangements for children's centres – with greater local transparency;
 - increasing the use of evidence-based interventions in centres;
 - using payment by results, so that local authorities are rewarded for supporting the most vulnerable families more effectively;
 - working with the sector to develop a Sure Start core purpose that helps parents and improves the outcomes of the most disadvantaged children; and
 - increasing the involvement of the voluntary and community sector to help reach those families who would most benefit from these services.
- 3.33 We are also committed to working with practitioners before setting out a new vision for the early years later this year. This vision will address the recommendations from the Tickell Review and Graham Allen and Frank Field's recommendations on early years.

Supporting children's school years

The education system cannot alone tackle wider social inequalities. However, at the moment it appears to compound these and must be oriented to narrowing attainment gaps.

Child Poverty Action Group – response to the consultation

- 3.34 The very best schools, in this country and abroad, have shown that children from deprived backgrounds can succeed and thrive when given the right support.¹⁰⁸ **Our aspiration is to ensure that all disadvantaged children can benefit from such high-quality education.**
- 3.35 In his review, Frank Field stressed that important changes can and do take place later in children's lives and that investment in the early years will not be fully effective unless it is followed up with high quality services for those who need them most later in childhood. Early disadvantage accumulates throughout childhood and youth:
- At age five, children from the most advantaged groups were found to be over a year ahead in vocabulary, compared with those from disadvantaged backgrounds.¹⁰⁹

108 OECD (2009) 'PISA 2009 Results'

109 Waldfogel, J and Washbrook, E (2010) 'Low income and early cognitive development in the UK.' Sutton Trust

- By the time they left primary school survey evidence showed that only three-quarters of the poorest fifth of children had reached the expected level, compared to 97 per cent of the richest fifth.¹¹⁰
- At Key Stage 4, a child eligible for Free School Meals was half as likely to achieve five or more GCSEs at grade A* to C, including English and mathematics, compared to a child from a wealthier background.¹¹¹
- Only around 13 per cent of children eligible for Free School Meals entered higher education, compared to around a third of children not eligible for Free School Meals.¹¹²

Supporting disadvantaged pupils

- 3.36 The Schools White Paper, *The Importance of Teaching*, set out a vision of schools as engines of social mobility. Frank Field also emphasised the importance of schools narrowing the attainment gap between richer and poorer children. We will empower schools to become drivers of progress, building on efforts to tackle barriers during pre-school years, by reducing bureaucracy, ensuring high levels of autonomy and freeing our teachers from constraint. The White Paper sets out how the Academy programme raises standards, particularly in disadvantaged areas, by giving power and freedom back to head teachers and teachers. Standards in disadvantaged areas will also be driven up by introducing the Free Schools programme, which makes it easier for charities, businesses, teachers and groups of parents to set up innovative new schools.
- 3.37 The Pupil Premium will provide additional funding for the most disadvantaged pupils, including those eligible for Free School Meals, those whose parents are in the armed forces and children who have been in care for more than six months. Funding is not ring-fenced so that schools can develop local solutions to support pupils. To help schools make the best use of the Premium we intend to make evidence available to them about interventions that are effective in supporting the achievement of disadvantaged children.
- 3.38 Schools will be accountable for narrowing the attainment gap for disadvantaged children. We will reform performance tables to include new measures that show the attainment of pupils who receive the Pupil Premium compared with their peers. We will also ask schools to report to parents on an annual basis how they have used the Pupil Premium. The Education Endowment Fund will fund bold and innovative approaches to raising the attainment of disadvantaged pupils in underperforming schools.
- 3.39 We want teachers to have greater freedom to use their professionalism and expertise in order to help all children progress. This is why we have launched a review of the National Curriculum. We will develop a new National Curriculum which sets out only the essential knowledge that all children should acquire. This

¹¹⁰ Gregg, P and Washbrook, E 'From birth through primary school: evidence from the Avon Longitudinal Study of Parents and Children' in Goodman, A and Gregg, P (2010) 'Poorer children's educational attainment: how important are attitudes and behaviour?' Joseph Rowntree Foundation – survey evidence from ALSPAC

¹¹¹ Department for Education (2010) GCSE and Equivalent Attainment by Pupil Characteristics in England, 2009/2010

¹¹² Department for Children, Schools and Families (2009) 'Breaking The Link Between Disadvantage And Low Attainment – Everyone's Business'

will leave teachers to decide how to teach this most effectively, and to design a wider school curriculum that best meets the needs of their pupils and improves outcomes for all children and young people.

- 3.40 We are concerned that the number of young people in disadvantaged areas who have the option to pursue a broad education in key academic subjects at Key Stage 4 is far too small. We are introducing the English Baccalaureate to encourage schools to give their pupils the opportunity to study key subjects which form a vital foundation for progression to higher education.

Supporting Children with Special Educational Needs

- 3.41 Children and young people who are disabled or have Special Educational Needs are more likely to be in poverty than their peers. In 2010, 28 per cent of children with an identified Special Educational Need were eligible for Free School Meals compared with only 13 per cent of other children.¹¹³
- 3.42 The Green Paper *Support and aspiration: A new approach to special educational needs and disability*¹¹⁴ makes proposals to improve outcomes for children and young people who are disabled or have Special Educational Needs, minimise the adversarial nature of the system for families and maximise value for money. Local authorities and other organisations will set out a local offer of all services available to support children and young people who are disabled or who have Special Educational Needs and we will introduce the option of a personal budget by 2014 for all families with an Education, Health and Care Plan.
- 3.43 The Green Paper aims to end the culture of low expectations for these children. There will be a new single early years setting and school-based category of Special Educational Needs. Parents will be able to state a preference for any maintained school, Academy or Free School, which will be considered on an equal basis. The Green Paper also set out a plan to replace the statutory Special Educational Needs assessment and statement for children with complex needs and the Learning Difficulty Assessment for those aged 16-25 years with a new, stronger single assessment and plan.

Supporting transitions to adulthood

Some older children and young people will need additional support throughout their lives to deal with longstanding problems and changes in circumstances, while others will require support and assistance from services during their teenage years and into young adulthood.

Office of the Children's Commissioner

- 3.44 Many of today's young people will be parents in 2020 – improving life chances for these people is not only important for breaking the cycle of poverty but could also reduce the likelihood of their children being in poverty in 2020.

¹¹³ Department for Education (January 2010) 'Special Educational Needs in England' Source: School Census <http://www.education.gov.uk/rsgateway/DB/SFR/s000939/index.shtml>

¹¹⁴ Department for Education (2011) 'Support and aspiration: A new approach to special educational needs and disability' <http://www.education.gov.uk/publications/eOrderingDownload/Green-Paper-SEN.pdf>

Increasing disadvantaged young people's participation

- 3.45 As mentioned in Chapter One, survey evidence shows that children who had been in receipt of Free School Meals in Year 11 were more likely to become NEET (Not in Employment, Education or Training) in the three years after completing compulsory education.¹¹⁵ Being NEET between the ages of 16 and 18 years is associated with later negative outcomes, such as unemployment, lower pay, having a criminal record, poor health, teenage parenthood and negative psychological outcomes.¹¹⁶
- 3.46 Continuing in learning for longer is associated with a range of social and economic benefits.¹¹⁷ With this in mind, we have made a commitment to raise the age of participation in education or training to 17 years by 2013 and 18 years by 2015. We are committed to equipping our young people with the skills that they need to ensure that they will not become the parent and families that feature in the next generation's child poverty statistics.
- 3.47 Once they are in education and training, we need to provide young people with learning packages better tailored to their needs, in particular for those who face multiple barriers to progression. We also need to support these young people to participate and on 28 March 2011 we announced a new £180 million 16 to 19 Bursary Fund to replace the Education Maintenance Allowance. This will be targeted towards those young people who most need support to enable them to continue their education and training post-16. We also announced transitional arrangements to help some of those who are presently in receipt of Education Maintenance Allowance. We are currently consulting on the proposed arrangements.¹¹⁸
- 3.48 The reforms set out in *The Importance of Teaching* will prepare young people for increased attainment and progression. The further we can remove our young people from the risk of becoming NEET, the lower the risk of perpetuating the cycle of deprivation. High quality vocational education for young people is crucial to improving educational performance, economic growth and improved social mobility. We are committed to improving vocational education and welcomed the publication of Professor Alison Wolf's Review on 3 March 2011.¹¹⁹ We will publish a formal Government response to this report setting out how we will achieve sustained improvement in the vocational education on offer.
- 3.49 To narrow participation gaps in higher education, the National Scholarship Fund will provide students from disadvantaged backgrounds with help towards the cost of attending university. Government contributions to this fund will reach £150 million by 2014-15. The scholarships will provide at least £3,000 for individual students in the form of tuition discounts and other benefits.

¹¹⁵ Department for Education (2010) *Youth Cohort Study and Longitudinal Study of Young People in England: The Activities and Experiences of 18 year olds: England*

¹¹⁶ Macguire, S and Thompson, J (2007) *'Young people not in education, employment or training (NEET) – Where is Government policy taking us now?' Centre for Education and Industry*

¹¹⁷ Education and Skills Impact Assessment (2008)

<http://www.education.gov.uk/publications/eOrderingDownload/EandSkillsImpactAssessment.pdf>

¹¹⁸ Further details of the proposals and the consultation can be found at
<http://www.education.gov.uk/consultations/>

¹¹⁹ Wolf, A (2011) *'Review of Vocational Education – The Wolf Report'*
<http://www.education.gov.uk/publications/standard/publicationDetail/Page1/DFE-00031-2011>

- 3.50 The Social Mobility Strategy sets out plans for the Departments for Business, Innovation and Skills, Education and Work and Pensions to publish a cross-government participation strategy later in 2011. The strategy will set out how we intend to maximise participation of 16 to 24-year-olds in education, training and work and tackle the long-term consequences of young people being NEET for an extended period. It will build on the clear reform plans that are already in place across the three departments and will include a particular focus on 18-year-olds, where all three departments have an important contribution to make.

Tackling risky behaviours

- 3.51 Young people from poorer families are more likely than those from richer families to engage in risky behaviours such as unprotected sex, smoking, drug-taking and truancy.¹²⁰ The extent of the causal relationship between risky behaviours and educational outcomes is subject to some debate but we believe that by providing support to reduce risky behaviours we can improve life chances for those adolescents most at risk. Analysis suggests that whilst teenagers engaging in only one or two risky behaviours do not have significantly worse attainment, engaging in several risky behaviours is associated with up to a 20 per cent reduction in GCSE points.¹²¹ Teenage mothers comprise 11 per cent of all NEET 16 to 18 year olds¹²² and are 20 per cent more likely to have no qualifications than older mothers.¹²³
- 3.52 The Early Intervention Grant gives local areas flexibility to focus support on early interventions for young people at risk of teenage pregnancy, substance misuse and anti-social and criminal behaviour. If we can help young people avoid these experiences, we can provide them with a stronger platform from which to make positive transitions into adulthood.
- 3.53 We are currently consulting on proposals to prevent the young offenders of today becoming the adult offenders of tomorrow.¹²⁴ Proposals include ensuring that local authorities have the right incentives to invest in alternative strategies for young people at risk of being remanded or sentenced to custody.
- 3.54 Intervening in the drug use of young people is of utmost importance, preventing the development of dependence which can have a major impact on people's education, health and long term life chances. Our Drug Strategy set out the key role that schools can play in preventing drug and alcohol misuse. We are ensuring that school staff have the information, advice and power to:
- provide accurate information on drugs and alcohol through drug education and targeted information via the FRANK service;

¹²⁰ Chowdhury, H et al. 'Outcomes in the secondary school years: evidence from the Longitudinal Study of Young People in England' in Goodman, A and Gregg, P (2010) 'Poorer children's educational attainment: how important are attitudes and behaviour?' Joseph Rowntree Foundation

¹²¹ Cebulla, A and Tomaszewski, T (2009) 'Risky Behaviour and Social Activities.' DCSF Research Report 173

¹²² Local Authority Client Caseload Information System (CCIS) data, November 2009 – January 2010

¹²³ Ermisch, J (2003) 'Does a 'teen birth' have longer term impacts on the mother?' Suggestive evidence from the British Household Panel Study, ISER Working Papers No.2003-32; Institute for Social and Economic Research.

¹²⁴ Breaking the cycle: effective punishment, rehabilitation and sentencing of offenders

<http://www.justice.gov.uk/consultations/docs/breaking-the-cycle.pdf>

- tackle problem behaviour in schools, with wider powers of search and confiscation. We will make it easier for head teachers to take action against pupils who are found to be dealing drugs in school; and
 - work with local voluntary organisations, the police and others to prevent drug or alcohol misuse.
- 3.55 Consultation respondents emphasised that children and young people need to be given the opportunity to take part in extra-curricular activities. This reflects evidence that positive activities and reducing risky behaviours are related to educational attainment within school.¹²⁵ The National Citizen Service is being piloted to engage young people in volunteering for their local communities.

Promoting physical and mental health and reducing health inequalities

Reducing inequalities in health services

- 3.56 The Marmot Review highlighted the potential importance of both maternal mental health and low birth weights which may be associated with lower levels of development.¹²⁶ Rates of maternal depression are nearly twice as high among mothers living in poverty and three times as high for teenage mothers.¹²⁷ Maternal depression is in turn associated with low birth weight, emotional or conduct disorders and children's later intellectual development.¹²⁸ Frank Field emphasised the importance of a mother's good mental and physical health during pregnancy and parents' health during infancy and childhood for children's outcomes. He also emphasised the value of health visitors.
- 3.57 Improved mental health and well-being is associated with a range of better outcomes for people of all ages and backgrounds.¹²⁹ Half of all adult mental health problems start by the age of 14 years and 75 per cent by the mid-twenties.¹³⁰ People in our most deprived communities have the poorest mental and physical health and well-being; there is a three-fold increased risk of mental health problems between the highest and lowest socio-economic groups (5 per cent and 15 per cent respectively).¹³¹
- 3.58 The Government's health reforms are aimed at addressing poor health outcomes by improving life chances and tackling cycles of disadvantage.¹³² The Health and Social Care Bill proposes a new duty on the NHS Commissioning Board to reduce inequalities in access to, and outcomes from, NHS care. We have just concluded a public consultation¹³³ on a Public Health outcomes framework covering wider

¹²⁵ Chowdhury et al. 'Outcomes in the secondary school years: evidence from the Longitudinal Study of Young People in England' in Goodman, A and Gregg, P (2010) 'Poorer children's educational attainment: how important are attitudes and behaviour?'

¹²⁶ Marmot, M (2010) 'Fair Society, Healthy Lives' p. 16

¹²⁷ Department of Health (2010) 'Healthy Lives, Healthy People,' p. 18

¹²⁸ Ibid.

¹²⁹ HM Government (2011) 'No Health Without Mental Health,' p. 53

¹³⁰ Ibid.

¹³¹ Green et al. (2005) 'Mental health of children and young people in Great Britain,' 2004. Office of National Statistics

¹³² Department of Health (2010) 'Healthy Lives, Healthy People'

¹³³ http://www.dh.gov.uk/en/Consultations/Liveconsultations/DH_122962

drivers of health and early years indicators that take account of the social determinants of health. This is with a view to developing more effective partnerships between primary care and local government. A health premium will incentivise local government and communities to improve health outcomes and reduce health inequalities.

Improving community health for the most vulnerable

- 3.59 Complementing the support already available, an additional 4,200 health visitors will extend coverage of the Healthy Child Programme for all families, including the most disadvantaged, and engage with communities. This is a universal public health programme for all children from conception onwards that provides parents with advice and support when they most need it as well as regular reviews of health and development for all young children. It sits alongside the Family Nurse Partnership programme.

Improving families' mental health

- 3.60 The cross-government mental health outcomes strategy for people of all ages, *No Health Without Mental Health*, set out work to improve the range of mental health support services including giving children and young people in England better access to modern, evidence-based psychological therapies. From April, 'Targeted Mental Health in Schools' funding is included in the Early Intervention Grant, bringing together funding for early intervention and preventative services for children, young people and families.

What success looks like

- 3.61 **We will track and monitor progress on breaking cycles of intergenerational disadvantage and improving children's life chances.** New measures must capture the nature of poverty and help ensure that policy is influenced in the right direction.

Frank Field's measurement recommendations: life chances indicators

- 3.62 In his independent review, Frank Field proposed that the Government should adopt a new national indicator, or indicators, of life chances which focused on the gaps that already exist by age three and the causal or correlated factors. We welcome the principle of a stronger focus in poverty measurement on early years and life chances.
- 3.63 The review demonstrated the relative importance of a range of factors and used survey cohort data to evaluate their combined effect. We accept the content and key components of the life chances indicator and want to maintain the momentum that Frank Field has generated in moving towards indicators that best capture life chances. We will work on developing new life chances indicators, taking account of the recommendations of the Field and Tickell Reviews, and will respond more fully to the recommendation alongside our response to the review of the Early Years Foundation Stage.
- 3.64 In addition to a national headline indicator Frank Field also recommended a local life chances indicator. However, a local indicator of life chances could lead to an

unwarranted burden on local authorities if not aligned with the work of local practitioners. Again we will respond more fully to the recommendation alongside our response to the review of the Early Years Foundation Stage.

- 3.65 Frank Field recommended a measure of service quality for lower income families. This is already being addressed by encouraging local transparency and accountability as set out in Chapter Four. We will encourage local areas to publish information which will help their communities to assess performance and will continue to support the sharing of good practice between authorities.
- 3.66 Frank Field's recommendation of a measure of severe poverty to monitor the impact of policy on the very poorest is discussed in Chapter One and Chapter Five.

Child poverty indicators: supporting family life and children's life chances

- 3.67 For this first national strategy the headline indicators that are relevant to this chapter capture the three key areas within supporting family life and children's life chances: education and health outcomes for children and young people; risky behaviours; and families and parental relationships.
- 3.68 In addition to the measures of life chances set out above we will focus on the following outcomes throughout childhood and early adult life:
 - low birth weight;
 - attainment gaps at school and in further education; and
 - progression to higher education.
- 3.69 We will challenge those behaviours that are damaging to a child's life chances during their transition to adulthood and which can so easily deflect them from the path to success. We will expect to see progress to reduce:
 - the rate of teenage pregnancies; and
 - the number of young people entering the criminal justice system.
- 3.70 We have made clear the importance that the Government attaches to supporting strong families, and to developing our understanding of the negative effects on children that can occur in less stable families or when relationships break down.
- 3.71 New data available in the Households Below Average Income publication available from 2009-10 onwards will allow the Government to monitor how the risks of children growing up in poverty varies between three broad groupings of families: families headed by a married couple or a couple in a civil partnership; families headed by a cohabiting couple; and families headed by a lone parent. This will be supplemented by further analysis where possible to understand what is driving the differences in risk factors between these groups and the potential impacts on families and children's lives.

- 3.72 Further details of these measures are set out below and in Annex A. They are collected through established survey or administrative sources. We will not be setting specific targets for these measures but will instead track progress in the short term towards our longer term goals to end child poverty. We will also track the progress that is made underneath these headline statistics to improve life chances for children and young people.

Child poverty indicators (3): children's life chances

Low birth weight:

The gap between social classes 1-4 and social classes 5-8.¹³⁴

Child development:

Building on Frank Field's recommendation of a life chances indicator, we will develop an indicator looking at gaps in school readiness for children aged up to 5 between children from different social backgrounds following consideration of the Tickell review.

Attainment at school and in further education:

- (1) Attainment gap between children receiving free school meals and the rest at Key Stage 2 in English and maths;
- (2) Attainment gap between children receiving free school meals and the rest in achieving the Basics at Key Stage 4;
- (3) Attainment gap between children who were receiving free school meals and the rest at age 19 in achieving Level 3 broken down into (a) achieving 2 A levels or (b) other A level equivalent qualifications.

Progression to higher education:

Progression of pupils aged 15 to higher education at age 19 (free school meal at age 15, non-free school meal at age 15 and gap).

Teenage pregnancies:

Conception rates per 1,000 for women aged 15-17 years.

Young offending:

Number of young people aged 10-17 years receiving their first reprimand, warning or conviction.

Family structures:

The proportion of children living in relative poverty in families by:

- (1) couples who are married/in a civil partnership;
- (2) couples who are cohabiting;
- (3) lone parents.

¹³⁴ Based on the National Statistics Socio-economic Classification (1=Higher managerial and professional occupations, 2=Lower managerial and professional occupations, 3=Intermediate occupations, 4=Small employers and own account workers, 5=Lower supervisory and technical occupations, 6=Semi-routine occupations, 7=Routine occupations, 8=Never worked and long-term unemployed)

Chapter Four: The Role of Place and Transforming Lives

The communities that families live in, and the services and infrastructure that surround them, influence families' prospects of moving into and progressing in work, breaking intergenerational cycles of poverty, and improving children's life chances. The effectiveness of those services will be enhanced the closer to home they are delivered. The Government has taken bold steps to reform public services and free up partners that will increase the potential for more localised and place-based approaches to tackle child poverty.

- The Government's localism agenda has set out radical reforms to devolve power down to local partners and communities, and to energise the Big Society through the voluntary, community and private sectors.
- The Child Poverty Act 2010 established a framework for local partners to cooperate to tackle child poverty in their areas. Many were already leading the way on this agenda, and the sector-led support package should build capability further.
- The roll-out of Community Budgets, payment by results and social impact bonds, together with an increased focus on evidence-based early intervention will inject innovation into the way services are delivered.
- In turn, the transparency agenda will reinforce these new freedoms, allowing communities to influence and challenge their local services.

Localism, the Big Society, and child poverty

- 4.1 There is poverty and disadvantage in every local area. However, the chances of a child growing up in poverty, and their experiences of poverty, will vary greatly between places and communities. The 20 most deprived local authorities in England are all in major or large urban areas¹³⁵ with the majority of these being in London. The drivers of poverty in such authorities are complex and may be particular to that area, for example the employment rates of lone parents in inner and outer London are amongst the lowest across government regions.¹³⁶ However, individual experiences of poverty can be just as acute in rural areas, and

¹³⁵ HM Revenue and Customs (2008) 'Local Child Poverty Measure' www.hmrc.gov.uk/stats/personal-tax-credits/child_poverty.htm

¹³⁶ Household Labour Force Survey Quarter 4 2010

the Government recognises that approaches to addressing child poverty need to take account of the particular challenges presented by rural locations, such as the dispersed population and greater difficulty in delivering and accessing support services.

Empowering local communities

- 4.2 **Tackling child poverty in a sustainable way requires empowered, engaged local decision-makers with the right tools, combined with strong local accountability.** Many areas have already built strong partnerships to tackle child poverty, enabling them to share robust evidence-based practice and deliver excellent services to families in poverty. However, central government barriers have constrained their ability to achieve even more. Conflicting or over-prescriptive programmes and funding silos all make effective delivery more difficult, and in a time of financial restraint for public services these barriers restrict vital local resource.
- 4.3 This Government's localism approach is comprised of six essential actions for decentralisation, all of which should strengthen the scope for more effective local action to tackle child poverty:
- Lifting the burden of bureaucracy – removing the cost and control of unnecessary red tape and regulation, whose effect is to restrict local action and innovation.
 - Empowering communities to do things their way – creating rights for people to get involved with, and direct the development of, their communities.
 - Increasing local control of public finance so that more decisions over the use of public money can be taken within communities.
 - Diversifying the supply of public services – by ending public sector monopolies, ensuring a level playing field for all suppliers, and giving people more choice and a better standard of service.
 - Opening up government to public scrutiny – releasing government information into the public domain, so that people can know how their money is spent, how it is used and to what effect.
 - Strengthening accountability to local people so that citizens have the power to change the services provided to them through participation, choice or the ballot box.
- 4.4 In this new landscape with less bureaucracy and prescription from the centre, key partners will have a role to play in tackling child poverty and improving life chances. These include:
- local authorities working with their strategic partners to consider outcomes for families, especially the most disadvantaged families, when planning and commissioning their services;

- Sure Start Children's Centres targeting services at the most vulnerable families, and on the particular needs of their communities whilst maintaining a network of centres accessible to all families;
- schools and further education providers driving local improvement in standards and increasing opportunities for the most disadvantaged pupils;
- universities and other higher education providers using the Fairness Premium to support disadvantaged young people's access to higher education;
- new local Health and Wellbeing Boards working with GP consortia to tackle health inequalities and to improve public health;
- democratically elected Police and Crime Commissioners, focusing their resources on tackling crime and anti-social behaviour;
- Jobcentre Plus and Work Programme providers working with local partners to deliver tailored employment support for young people and parents; and
- local service providers for housing, adult social care, regeneration, transport, and leisure services engaging with partners in tackling the potential drivers, and consequences, of child poverty.

The Big Society

Some of the best voluntary sector organisations possess indisputably the most valuable subject expertise, local knowledge and local relationships.

Centre for Social Justice – response to the consultation

- 4.5 Some of the most transformative services for vulnerable groups are developed and delivered within local communities themselves and through grassroots-led approaches. This is the power and potential of the Big Society. Local businesses, charities, voluntary groups and social enterprises are often best placed to understand what their communities need; particularly with regard to those who may struggle to find a voice or who may be reluctant to engage with statutory partners. One example of a successful project (see Box 4.1) that has transformed individuals' lives, elements of which are now being developed as a social enterprise, is the Tyne Gateway Community Entrepreneurs scheme.

Box 4.1 – Tyne Gateway Community Entrepreneurs

In North and South Tyneside parents at risk of poverty have trained to become Community Entrepreneurs. Once trained, they develop sustainable community-based projects in partnership with local employers, who offer employment pathways for low-income families. Qualitative evidence suggests the initiative has had a transformational impact upon the Community Entrepreneurs' employability and well-being. One Community Entrepreneur said "the thought of actually working and contributing and not living on benefits is huge to me because I'd been like that for years."

- 4.6 The Big Lottery Improving Futures programme has just been launched, funding 20 new projects led by the voluntary and community sector to support families with multiple problems across the UK. Up to £900,000 in grant funding will be available for each project over three to five years.¹³⁷ It is hoped the programme will support the emergence of outstanding new practice that will transform the lives of children in families with multiple problems. The programme will play an important part in achieving the Prime Minister's ambition to turn around the lives of all families with multiple problems by the end of this Parliament.
- 4.7 The private sector, as a provider of local services and jobs, can also make a great contribution and has an integral role to play in communities. There are already innovative projects where engaged business leaders (see Box 4.2) are using their knowledge and experience to support and invest in place-based projects that are transforming communities. The Government is looking at further ways to stimulate the social investment market and make it easier for social ventures to deliver and support family services.

Box 4.2 – J.P. Morgan in Loughborough Junction

J.P. Morgan has been working with Lambeth Council and other partners to invest in a place-based programme in Loughborough Junction. The aim is to deliver long-term and sustainable social change for communities in the area. To achieve this, J.P. Morgan commissioned an in-depth needs analysis and consultation to gain a thorough understanding of the priorities for the local communities and appropriate areas of intervention in fields such as community development, education and arts and culture. The firm also aims to create significant impact by capitalising on employees' knowledge and time (through volunteering and mentoring), and their wider network across the private and voluntary sectors. The aim is to encourage investment and collaboration from wider players to aid regeneration of the area.

Supporting local areas to assess and address child poverty

- 4.8 **Assessing local need is integral to identifying gaps in provision and agreeing targeted action against the causes of poverty.** This activity is currently underpinned by a statutory duty. The Child Poverty Act requires local authorities to lead partnership working in their area to reduce and mitigate the effects of child poverty through the development of child poverty needs assessments and local child poverty strategies. The Act also requires other statutory partners, whose roles are evolving in line with the broader localism agenda, to cooperate with their local authorities in this approach. The Government is currently reviewing these and other statutory duties to make sure they strike the right balance between giving local authorities the freedom and discretion they need to get things done, whilst protecting the most vulnerable people. We welcome input to this consultation.¹³⁸

¹³⁷ Big Lottery Funding (2011) '*Improving Futures*'

¹³⁸ <http://www.communities.gov.uk/localgovernment/decentralisation/tacklingburdens/reviewstatutoryduties/>

- 4.9 Working collaboratively allows local partnerships to develop a more comprehensive understanding of child poverty in their area and of the families who are most at risk. Local areas have access to a Core Offer of sector-led support to help them in this work.¹³⁹ This package was developed building on examples of good practice already in the field (see box 4.3) and includes:
- a Child Poverty Needs Assessment toolkit developed by Local Government Improvement and Development (LGID). LGID has also delivered specialist sector-led support to individual local areas and has offered support to existing child poverty networks;
 - the Child Poverty Community of Practice (CoP): this online community platform supports collaborative networks for those involved in tackling child poverty from across the public service including those working for their communities on a voluntary basis;¹⁴⁰
 - the Centre for Excellence and Outcomes (C4EO) provides support focusing on sharing knowledge, individually tailored support and access to data and evidence;
 - Save the Children has produced a guide to the Act and the duty to consult children, young people and families, alongside information about how to ensure effective participation in work on child poverty;
 - local authorities can commission organisations such as Save the Children to provide further support as they wish; and
 - other partners include the Children's Workforce Development Council and the National College for Leadership of Schools and Children's Services, VCS Engage and National Association for Voluntary and Community Action (NAVCA).
- 4.10 Membership of the Core Offer group, and the support provided in the Offer, will be under review as the focus moves from the process of carrying out a needs assessment to producing and delivering a local child poverty strategy. This will be in keeping with the work of the Society of Local Authority Chief Executives (SOLACE), the Association of Directors of Children's Services and LGID. Together, they are developing a system of challenge and improvement which seeks to identify problems early and provide peer challenge and support.

¹³⁹ www.education.gov.uk/childrenandyoungpeople/families/childpoverty/a0066610/support-to-meet-the-local-duties-of-the-child-poverty-act

¹⁴⁰ For more information and to join go to:
<http://www.communities.idea.gov.uk/comm/community-search.do?queryText=child+poverty+cop&x=26&y=10>

Box 4.3 – Tower Hamlets

Tower Hamlets is one of the local authorities with the highest rate of children living in poverty. Poverty is tackled by actively engaging key partners across a range of sectors through the Tower Hamlets Partnership; there are coherent strategies backed up by integrated services. Engaging parents and families is key to Tower Hamlets' successful interventions to tackle child poverty. The local authority works closely alongside community groups to improve services and increase access. The most recent data available shows that Tower Hamlets has made the biggest improvement in child poverty rates of all English local authorities; down 6.6 percentage points between 2007 and 2008 to 57 per cent.¹⁴¹ GCSE performance is now at approximately the national average, despite having the highest rate of children receiving free school meals in the country.¹⁴²

- 4.11 Over one in five local areas have already shared their local needs assessments on the Child Poverty Community of Practice website, and indications are that most areas are already beginning to plan how these translate into local strategies.
- 4.12 There are lots of examples of innovative activity around tackling child poverty locally. We are keen to share the practice and learning from Child Poverty Pilots that have run in over 70 areas over the last three years. To support that, we will publish both the evaluations of individual pilot projects and have already published a synthesis report of the whole pilot programme, drawing links with emerging policy approaches.¹⁴³ We have also developed a short online guide to highlight some of the innovative work that has taken place.¹⁴⁴ Together with the pilot areas we will look at further ways in which their practice and learning can best inform longer term strategies.
- 4.13 We also welcome Frank Field's recommendation that local authorities should consider establishing Poverty and Life Chances Commissions. Cities as diverse as Bradford, Gateshead and Liverpool city region have already established child poverty commissions to drive forward their local child poverty strategies.

Place-based initiatives, data sharing and new delivery approaches

- 4.14 **To ensure more effective support to disadvantaged families in all areas, the Government is committed to enabling genuinely new approaches.** This includes lifting barriers and bureaucracy to facilitate greater cooperation between public services and promoting and sharing evidence-based commissioning practices.

Community Budgets

- 4.15 Alongside the national campaign to turn around the lives of the country's most troubled families (see Chapter Three), the Spending Review also announced that

¹⁴¹ HM Revenue and Customs (2008) *Local child poverty measure* www.hmrc.gov.uk/stats/personal-tax-credits/child_poverty.htm

¹⁴² Department for Education (2010) GCSE and Equivalent Attainment by Pupil Characteristics in England, 2009/10

¹⁴³ <http://research.dwp.gov.uk/asd/asd5/rports2011-12/rrep730.pdf>

¹⁴⁴ <http://www.education.gov.uk/childrenandyoungpeople/families/childpoverty/sharinggoodpractice>

the first Community Budgets focused on families with multiple problems would be in place in 16 areas in April 2011. By removing artificial barriers, a range of funding streams and resources can be pooled to facilitate the better design and commissioning of interventions. Community Budgets organise public spending by place (or local area) rather than by individual organisations or services. This makes it much easier for local leaders, working with their communities, to take an overview of the needs of their community, decide how money should be spent more effectively and provide innovative, integrated solutions to difficult problems. An example is given in box 4.4.

Box 4.4 – Greater Manchester/Salford child poverty and Community Budgets

Salford City Council and partners have been developing a Community Budget approach to enhance existing joint agency Working Neighbourhood Teams. These have been active in the City's most deprived areas and focus on delivering more joined up and localised support on the key causes of poverty. It includes a focus on complex families, offending and anti-social behaviour as well as worklessness and income poverty. Partners have been highly engaged in this work and have made a high level commitment to reform at three levels:

- Joint Investment – using a new 'Place Board' to generate a joint investment approach where it can have the greatest impact, using the Community Budgets route to seek flexibilities where necessary.
- Integrated delivery – a much more joined up, planned and proactive response at neighbourhood level, working through a 'Think Family' lead professional, with access to a much wider range of resources in a 'one team' approach.
- Intelligence and support systems – reform of the underlying challenges of multiple assessments, data sharing, ICT systems and wider issues such as incentives, accountabilities and cultures.

The Community Budget model can provide greater flexibility to align local resources, organisational priorities and incentives. In time, Salford expect this can also provide a vehicle to align Welfare to Work programmes, local GP commissioning, schools budgets and other resources which are critical to tackling poverty and life chances in a cohesive way.

- 4.16 A key strand of Community Budgets is to learn from success. 'Mentor' areas with a track record of successfully supporting families will receive government support to act as dissemination hubs and share their 'know how' to help others apply high quality evidence in their areas. Community Budgets will be developed and made available nationally by 2013-14.

Helping families through improved data sharing

- 4.17 Frank Field's Review recommended that increased data pooling should support outreach work for families and the monitoring of services. This was echoed by responses to our consultation, in particular from local authorities, which made the point that improvements in data and information sharing can greatly enhance the co-ordination of services for families and disadvantaged groups. The Government is looking at local data sharing in a number of ways, but always with regard to personal data protection. For example, the Government's Child Poverty Unit has worked with practitioners to develop a guide on data sharing.¹⁴⁵ The Department for Work and Pensions (DWP) has called for evidence to gather views from both customers and local authorities about the potential impact of the new data sharing arrangements between DWP and local authorities, in relation to the provision of welfare services.¹⁴⁶ Community Budgets may also help identify any key data sharing issues that remain, as well as other barriers to more effective service provision, and potential solutions.

Social Return on Investment

- 4.18 Social Return on Investment (SROI) analysis can help service commissioners and providers identify the most cost-effective interventions by understanding their longer-term impacts. Social Return on Investment tries to identify all the wider social and economic benefits that can be derived from more integrated and evidence-based service delivery. A fuller understanding of these wider social impacts can support further investment in innovative action from local partners which have the scope to improve children's and families' outcomes. We will look to expand existing initiatives which challenge public service commissioners and providers to ask more demanding questions around the social returns on their spend.

Early intervention

- 4.19 The first report from Graham Allen's review recommended both expanding Early Intervention programmes and favouring those which combine strong evidence bases with impact on crucial stages of children's social and emotional development. Similarly, the Centre for Excellence in Outcomes (C4EO) and the Association for Directors of Children's Services concluded from local and international evidence gathering¹⁴⁷ that early intervention works – when it is appropriate and applied well, following timely identification of a problem. They concluded that intervention could be successful when it is 'early', either in the sense of early in the child's life or in the sense of occurring as soon as possible after a need becomes apparent. In both cases, earlier is better to secure greatest long-term impact and sustainability.

¹⁴⁵ <http://www.education.gov.uk/childrenandyoungpeople/families/childpoverty/b0066347/child-poverty-data-child-poverty-data--sharing-data-effectively>

¹⁴⁶ <http://www.dwp.gov.uk/consultations/2011/sharing-customer-data.shtml>

¹⁴⁷ Centre for Excellence and Outcomes and Association of Directors of Children's Services (2011) '*Grasping the nettle: early intervention for children, families and communities*'

Payment by results

- 4.20 Delivery models that use payment by results are one way of implementing approaches that aim to capture social returns and incentivise early intervention. A commissioner specifies a goal or set of goals and pays for what gets delivered against this benchmark. By allowing providers discretion in how they manage individuals, they are empowered to innovate, with the knowledge that they will be held accountable for the agreed results. This creates stronger incentives to focus on what works and enables more devolved, flexible, and potentially market-based approaches involving private and voluntary and community sector providers. Across the public sector, there are significant moves towards a system of payment by results:
- The new Work Programme will give providers the freedom to tailor help to individuals and in return will pay according to results – when people find jobs and keep them. Supporting those further from work will be rewarded by higher payments, thus incentivising providers to focus on the most disadvantaged.
 - The Ministry of Justice is developing a number of pilots to test the principles of payment by results. For example, a Social Impact Bond pilot scheme at Her Majesty's Prison Peterborough is aimed at delivering both social impact and real financial returns. Social investors will be rewarded for reducing reoffending amongst 3,000 short-sentenced offenders discharged from the prison over six years. An initial 'lessons learned' assessment of this Social Impact Bond project is due to be published in May 2011 and will inform roll-out across future themes and areas.

What success looks like

- 4.21 Reforms to the way public services are organised and delivered, as outlined earlier in this chapter, will provide the levers for local decision-makers to target their services more effectively for their communities. It will also enable communities to hold their local services to better account. This will be reinforced where there is strong accountability and transparency so that local people have the power to influence and change the services provided to them. Publishing evidence-based child poverty needs assessments, and action-based child poverty strategies with clear ownership and deliverables, can support this. More broadly, sharing locally any open and reusable data, particularly in relation to how the most vulnerable families in our communities are supported, will allow that scrutiny and challenge function to be exercised. Annex A contains the list of indicators and measures where we will be looking for progress towards our 2020 goal, and highlights which of these are also available at a local level.

Chapter Five: Translating Our Vision into Reality and Next Steps

This first national Child Poverty Strategy fulfils our obligations under the Child Poverty Act 2010 to set out plans for tackling child poverty from 2011-14 towards ending child poverty by 2020. It delivers a comprehensive three year plan to lay the foundations for a new and more effective approach. Key elements of the framework for implementing the strategy include:

- The approach to measurement: tracking improvements in the headline measures set out in this strategy; monitoring underlying behaviours and trends; and developing new measures.
- Aligning the Government's approach on child poverty with work on social mobility and social justice: the Social Mobility Strategy, *Opening Doors, Breaking Barriers* aligns with the Child Poverty Strategy and the new Social Mobility and Child Poverty Commission will ensure challenge and accountability in these areas.
- Continuing to work with local and national partners and with the devolved administrations: local partners are now developing their own strategies; meanwhile national Government will focus on implementing this strategy ahead of the next strategy in 2014 and will continue to work closely with the devolved administrations on the UK-wide approach.

Ongoing progress in delivering social justice and supporting social mobility is essential for transforming families' lives, improving life chances and ultimately ending child poverty. The publication of this national strategy is just the first milestone in the Government's approach.

Overview of our approach

- 5.1 Despite good intentions, the previous approach failed to deliver on tackling the long-term causes of child poverty. The investment made was not sustainable and focused too much on short-term fixes to income rather than tackling the root causes of poverty. Not only did it fail to support families to overcome the key drivers of disadvantage, but it served to dampen work incentives for some groups and perpetuated the vicious cycle of poverty by trapping families in a culture of

dependency. Only a new approach can turn around the lives of children and truly eradicate child poverty.

- 5.2 **This strategy relies on radical transformation of public services and the welfare state in order to tackle the causes of poverty head-on.** This includes addressing some of the most entrenched issues: educational failure; worklessness; family breakdown; severe debt; and health issues, such as alcohol and drug addiction. These issues, especially in combination, can devastate whole families and communities. We are also acutely aware of the unavoidable factors, such as disability, that can place so many families and children at particular risk of disadvantage growing up.
- 5.3 **We will do all in our power to increase the life chances of vulnerable families and will place greater emphasis on early intervention, and on whole-family and whole life-course approaches.** This means universal provision where all families need support or where necessary to de-stigmatise services. It means targeted support for specific risk groups who face particular barriers. And it means specialist intensive engagement for chaotic or crisis-ridden families. Complementing this work, our welfare reforms will mean that work pays and that we build responsibility and a culture of work. To reiterate, we will support those who cannot work, encourage those who are working, and remove disincentives and tackle barriers for those who could work, but are not working.
- 5.4 Our flagship policies clearly demonstrate this approach: the Fairness Premium which targets funding at those at risk of poor educational outcomes, from the early years to higher education; more health visitors for Sure Start Children's Centres; an Early Intervention Grant for local authorities to invest in addressing local needs; Universal Credit aimed at making work pay and the Work Programme to help those struggling to enter the labour market. These are life-changing policies that will help families to lift themselves out of poverty.
- 5.5 **Both the policy-making and delivery landscape must change to ensure there is a stronger focus on incentivising behaviours that benefit children, and on policies that prevent skewed or unintended consequences.** We are clear that, particularly in the current fiscal environment, evidence-based practice and services that can genuinely transform family lives must drive local prioritisation. We have freed up policy delivery to target local need because we have seen how imposing solutions from above stifles innovation and detracts from local priorities. And we are pushing power away from the centre to local government, communities, voluntary groups and private investors who help families who struggle to find their voice.
- 5.6 With due regard to the current fiscal and economic circumstances, we remain committed to meeting the income targets in the Child Poverty Act. Yet, crucially, we have a wider approach to improving children's life chances that captures a broader and widely accepted understanding of what it means to be disadvantaged. Many of the respondents to the consultation on the strategy said that the Government now has the right approach through which to build on the recommendations of Frank Field and broaden out the agenda from a narrow focus on income to a broader focus on life chances.

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- 5.7 We are confident that this strategy provides a powerful springboard for progress both towards the income targets over the long term and towards minimising socio-economic disadvantage for children. Our more detailed measurement and monitoring, including lead indicators and gap measures, will tell us whether we are making an impact and where we need to adjust the approach.

Measurement – next steps

- 5.8 We have set out the new approach to measurement that we will use to track progress over the life of this strategy. This will continue to recognise the importance of income but will also capture a broader understanding of both the causes of poverty and what it means for children and families to be living in poverty. The suite of headline child poverty indicators set out in Annex A covers family resources, supporting families' circumstances, and children's life chances. Alongside these measures we will monitor, where we can, the prevalence and impact of those behaviours that can be so damaging to a child's well-being or life chances such as parental addiction, debt and family instability.

Severe poverty

- 5.9 As recommended by Frank Field in his independent review, **we will have an increased focus on the impacts of policies on those children in the poorest groups**. The four targets in the Child Poverty Act capture a range of measures of low income including persistence and material deprivation, but it is possible to deepen our understanding of those living in severe poverty using existing data sources. In addition to the measures in the Act, the annual National Statistics publication Households Below Average Income includes the proportion and number of children living in households where income is below 50 per cent of median income before housing costs.
- 5.10 This gets us closer to identifying the very poorest but we know that the lower the threshold the more unreliable the data becomes. Evidence suggests that there are those with seemingly very low incomes who still have a reasonable standard of living. It is important for any measure to properly capture those that are in the most severe hardship.
- 5.11 This weakness in the data can be offset by combining very low income with a measure of material deprivation, so that we only include those that are genuinely going without the goods and services considered necessary to have a decent standard of living. We have therefore included in this first national strategy a supplementary indicator on the proportion of children living in households with income below 50 per cent of the median household income who also experience material deprivation.
- 5.12 We will explore the potential of using longitudinal studies to better capture those who are living in sustained severe poverty (in particular the large scale Understanding Society study).

Building our understanding of what matters

- 5.13 We must ensure that we continue to build our understanding of the factors most closely associated with the progress that children make throughout the early years, in education and as they move into adult life. Dame Clare Tickell's review of the Early Years Foundation Stage recommended that this framework should include a requirement to provide parents with a short written early years summary of their child's development between the ages of 24 and 36 months. We will respond more fully to the recommendations made by Frank Field on Life Chances Indicators alongside our response to the review of the Early Years Foundation Stage.
- 5.14 Work is already underway across Government, and in the research field, to help strengthen our understanding of what influences child well-being and development:
- On 1 March 2011 the Universities Minister announced the establishment of the Birth Cohort Study. Ninety thousand children born in 2012 will take part, making it considerably larger than the four previous cohort studies.
 - At the request of the Prime Minister, the Office for National Statistics are developing measures of national well-being. This will cover the quality of life of people in the UK, environmental and sustainability issues, as well as national economic performance. A public consultation, open until the 15 April 2011, asks what matters most in people's lives and what should be measured.
 - The Understanding Society study is a large-scale longitudinal study of 100,000 individuals in 40,000 households. It includes data on household income, as well as data on well-being and children's happiness and is funded through the Economic and Social Research Council with part funding from several Government departments.

Working with local, national and UK partners

- 5.15 Local authorities in England are vital partners in taking forward work to end child poverty. They are required by the Child Poverty Act 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. The expectation is that areas will have their needs assessments and strategies in place from 2011 onwards to drive their priorities on addressing child poverty.
- 5.16 The next national strategy will be published by the Government in 2014 and there will be a yearly report on the progress of the current strategy to Parliament and Secretaries of State.

- 5.17 This Child Poverty Strategy has set out the UK-wide framework for tackling child poverty and reporting on progress. It builds on the advice, opinions and guidance provided by the many respondents to the consultation, and the input the UK Government has received from the devolved administrations. The Government has responded with a strategy taking us to March 2014 that places tackling child poverty at the very centre of our social justice and wider social mobility agendas. We are looking forward to working with all our partners as we build a wide-ranging consensus and momentum around our new approach to ending child poverty.

Aligning Child Poverty and Social Mobility and setting up the New Commission

- 5.18 The Child Poverty Act requires the establishment of a Child Poverty Commission to provide independent input to help ensure that the policies outlined in the Government's strategy have a positive impact on ending child poverty. As part of developing our new approach, we have given careful consideration to how the Commission should be developed in order to best perform its independent role. We also sought stakeholder views on the issue by including the role of the Commission in the consultation on the strategy.
- 5.19 We believe that any commission we establish needs to reflect the Government's new approach to child poverty, which acknowledges the crucial links between child poverty, children's life chances and social mobility. Responses to our consultation were broadly supportive of extending the remit of the Commission in this way.
- 5.20 In addition, the Government believes that public bodies should only be established when they can provide additional value to the taxpayer, and that they should not be given responsibility for action or decisions that Ministers ought to be accountable for. We feel that while the accountability functions of the original Child Poverty Commission are appropriate for a public body, some of the advisory functions are not: Ministers should take direct responsibility for strategy development rather than delegating this to arms length bodies.
- 5.21 **We have therefore decided to amend the Child Poverty Act to create a new Social Mobility and Child Poverty Commission.** This new Commission will have a broader remit incorporating social mobility as well as child poverty to ensure that the Commission considers the issue of child poverty within the wider context of children's life chances and inter-generational poverty. The Commission's role will be to monitor progress against the broad range of child poverty, life chances and social mobility indicators, towards the end goal of eradicating child poverty.
- 5.22 The Commission will report to Parliament on both strands of its responsibility. It will then be for the Cabinet's Social Justice Committee to oversee the resulting work focusing on child poverty, and for the Ministerial Group on Social Mobility to consider policies related to increasing social mobility in the United Kingdom.

- 5.23 We know from the recent consultation that many stakeholders are keen for the work of the Commission to begin immediately. As forming the new Commission will involve amending legislation, we are setting out a clear plan for interim arrangements to ensure that progress on tackling child poverty is not delayed. Until the new Commission is in place, the remit of the Government's Independent Reviewer on Social Mobility (Alan Milburn) will be expanded to include child poverty. This will ensure that a progress review function for child poverty is in place from the point at which the Child Poverty Strategy is published. To provide continuity between the work of the Review and the work of the new Commission, Alan Milburn will be appointed as Acting Chair once the Commission is established, while a public appointment process is held in line with best practice. We intend to appoint both a Chair and a Vice Chair to the Commission, providing scope for both the social mobility agenda and the child poverty agenda to have strong representation.

Annex A: Child Poverty Strategy Indicators 2011-14

The indicators and measures set out below are referenced in the chapters and demonstrate where we will look for progress over the lifetime of this first national strategy towards the long-term goal of eradicating child poverty by 2020. These indicators closely align with those included in the Social Mobility Strategy and Departmental Business Plans.

	Indicator	Description	Lead Department	Source	Coverage	Further breakdowns
Family resources	Relative Low Income	Proportion of children living in households where income is less than 60 per cent of median household income for the financial year (2020 target less than ten per cent).	Cross-Department	Family Resources Survey	UK	Region
	Absolute Low Income	Proportion of children living in households where income is less than 60 per cent of median household income in 2010-11 adjusted for prices (2020 target less than five per cent). Until data for 2010/11 becomes available this is measured against incomes in 1998/99.	Cross-Department	Family Resources Survey	UK	Region

	Indicator	Description	Lead Department	Source	Coverage	Further breakdowns
Family resources <i>(continued)</i>	Combined Low Income and Material Deprivation	Proportion of children who experience material deprivation and live in households where income is less than 70 per cent of median household income for the financial year (2020 target less than five per cent).	Cross-Department	Family Resources Survey	UK	Region
	Persistent Poverty	Proportion of children living in households where income is less than 60 per cent of median household income for the financial year in at least three out of the previous four years.	Cross-Department	Understanding Society (to be finalised once data becomes available)	UK	To be confirmed
	Severe poverty	Proportion of children who experience material deprivation and live in households where income is less than 50 per cent of median household income for the financial year.	Cross-Department	Family Resources Survey	UK	Region
Family circumstances	Children in workless households	Proportion of children living in workless households.	Department for Work and Pensions	Household Labour Force Survey	UK	Region
	In-work poverty	Proportion of children growing up in families where at least one person works but are still in relative poverty.	Cross-Department	Family Resources Survey	UK	None

	Indicator	Description	Lead Department	Source	Coverage	Further breakdowns
Family circumstances <i>(continued)</i>	Transition from childhood to labour market	Proportion of 18 to 24 year olds: (1) participating in part-time or full-time education or training; and (2) not in full-time education or training who are not in employment.	Department for Work and Pensions and Department for Business, Innovation and Skills	Labour Force Survey	(1) England (2) UK	To be confirmed
Children's life chances	Low birth weight	Low birth weight (gap between social classes 1-4 and social classes 5-8).	Department of Health	Child Birth Statistics, Office for National Statistics	England and Wales	None
	Child development	We will develop an indicator looking at gaps in school readiness for children aged up to 5 between children from different social backgrounds following consideration of the Tickell review.	Department for Education	To be confirmed	To be confirmed	To be confirmed

	Indicator	Description	Lead Department	Source	Coverage	Further breakdowns
Children's life chances <i>(continued)</i>	Attainment at school and in further education	(1) Attainment gap between children receiving free school meals and the rest at Key Stage 2 in English and maths. (2) Attainment gap between children receiving free school meals and the rest in achieving the Basics at Key Stage 4. (3) Attainment gap between children who were receiving free school meals and the rest at age 19 in achieving Level 3 broken down into (a) achieving 2 A levels or (b) other A level equivalent qualification.	Department for Education	National Pupil Database	England	Region, Local Authority
	Progression to higher education	Progression of pupils aged 15 to higher education at age 19 (free school meal at age 15, non-free school meal at age 15 and gap).	Department for Business, Innovation and Skills	Higher Education Statistics Agency data matched to National Pupil Database	England	To be confirmed
	Teenage pregnancy	Conception rates per 1,000 for women aged 15-17 years.	Department for Education	Office for National Statistics	England and Wales	Region, Local Authority
	Young offending	Number of young people aged 10-17 years receiving their first reprimand, warning or conviction.	Ministry of Justice	Police National Computer	England and Wales	Region, Local Authority

	Indicator	Description	Lead Department	Source	Coverage	Further breakdowns
Children's life chances <i>(continued)</i>	Family structures	The proportion of children living in relative poverty in families by: (1) couples who are married/in a civil partnership; (2) couples who are cohabiting; and (3) lone parents.	Cross-Department	Family Resources Survey	UK	None

Further local data

There are a large number of datasets that are currently published that provide indicators relevant to child poverty at a local level. Local authorities have been encouraged to explore these in developing local strategies. In addition to understanding poverty in their area these can allow comparisons between authorities. Examples of these, including links to the relevant sources, are included in the Child Poverty Needs Assessment Toolkit (<http://www.idea.gov.uk/idk/core/page.do?pageld=22025996>).

As part of the Government's transparency agenda we are encouraging local authorities to publish more data so that local communities can better hold them to account. In addition to the national level indicators set out above, there may be locally-held alternative data which can provide similar or supplementary data.

Annex B: Policy Delivery

A new approach – our key structural reforms

2011

- Local areas continue to fulfill their duties in relation to the Child Poverty Act
- Fairness Premium introduced

Spring 2011

- Changes to Local Housing Allowance
- Begin reassessing Incapacity Benefit customers for Employment and Support Allowance
- 16 Community Budgets running – extended to all local authority areas across England by 2013/14
- Early Intervention Grant allocated to local authorities
- Education Endowment Fund allocated to chosen schools
- Role of Independent Reviewer on social mobility extended to include child poverty
- Indicators in Departmental Business Plans finalised

June/July 2011

- Work Programme rolled out nationally

2011-2012

- First Pupil Premium funding allocated to schools

2012

- Public Health Outcomes Framework in place

April 2012

- Health and Well-being Boards operating in all areas on a non-statutory basis

October 2013

- Introduction of Universal Credit

Translating our vision into reality

Chapter 2: Supporting Families to Achieve Financial Independence

October 2010

- Work Choice introduced

April 2011:

- Changes to Local Housing Allowance Arrangement
- Regional Growth Fund made available
- Increased flexibility and discretion for Jobcentre Plus Staff
- Begin reassessing Incapacity Benefit customers for Employment and Support Allowance
- Automatic entitlement to Employment and Support Allowance extended to those in residential rehabilitation for drug or alcohol misuse

Spring 2011:

- Flexible Working consultation
- Consumer Financial Education Body advice service available

June/July 2011:

- Work Programme rolled out nationally
- Government statement on consumer credit

Summer 2011:

- Independent review of specialist disability employment programmes reports

September 2011:

- Credit union feasibility study

December 2011:

- Commence roll-out of annual credit card statements

2011/12:

- Increase in personal tax allowance

January 2012:

- Lone Parent Obligation effective for lone parents with a youngest child aged 5 or 6 (subject to passage of the Welfare Reform Bill)
- Increase age threshold for the Local Housing Allowance shared accommodation rate from 25 to 35

April 2012:

- All-age career service operational

April 2013:

- Local Housing Allowance rates up-rated on basis of Consumer Price Index
- Housing Benefit for working age social rented sector customers restricted based on household size and structure

October 2013:

- Introduction of Universal Credit (dependent on passage of the Welfare Reform Bill) and begin migrating customers.

Chapter 3: Supporting Family Life and Children's Life Chances

2010-2011:

- £22m funding for Early Years Professional Status training

2011:

- Fairness Premium introduced
- National Citizen Service piloted in 12 areas, extended to 30,000 participants by 2012

March/April 2011:

- Interim report of the Family Justice Review published
- Early Intervention Grant allocated to local authorities

Spring 2011:

- Education Endowment Fund allocated to chosen schools
- Early Years Policy Statement published

2011-2012:

- £64m funding provided to local authorities for offer of early education.
- First Pupil Premium funding allocated to schools

2012:

- Public Health Outcomes Framework in place

2011/12-12/13:

- £59 million per year in grant funding to the voluntary and community sector to support the delivery of key national priorities for children and young people.
- Funding allocated to local authorities to provide free early education to all disadvantaged two-year olds (as part of the Fairness Premium)

2012/13:

- National Scholarship Fund

2011/2015:

- £4.5bn invested in 150,000 new affordable homes
- £400m to local authorities and the voluntary sector for homelessness prevention
- 4,200 extra health visitors recruited

2015:

- Full participation in education and training to the age of 18
- Targeted Mental Health in Schools funding is included in the Early Intervention Grant.

Policy delivery timelines

Chapter 4: The Role of Place and Transforming Lives

2011:

- Local areas continue to fulfil their duties in relation to the Child Poverty Act – agreeing appropriate deadlines for completion and review of child poverty needs assessments and local strategies where not yet completed or agreed

March-April 2011:

- Review of local authority statutory duties
- Launch of the Big Lottery's Improving Futures Programme to improve outcomes for children within families who experience multiple problems

From April 2011:

- Continued child poverty "Core Offer of Support" available to local partnerships
- 16 Community Budgets up and running
- Across the public sector, a number of services will be testing systems of payment by results

May 2011:

- Initial assessment of Social Impact Bond project at Her Majesty's Prison Peterborough

Summer 2011:

- Final Report of Graham Allen Review

From April 2012:

- Health and Well-being Boards operating in all areas on a non-statutory basis
- Directly elected police and crime commissioners
- Health inequalities duty on the NHS

2013/2014:

- Community Budgets to be rolled out to all local authority areas in England.

Chapter 5: Measurement and Accountability

April 2011:

- Role of Independent Reviewer on Social Mobility extended to include Child Poverty

May 2011:

- 2009/10 statistics on relative poverty, material deprivation, absolute poverty, and in work poverty are published
- Indicators in Departmental Business Plans finalised

Late 2011:

- First 2011 statistics on the number of children in workless households published
- European comparisons of children poverty rates in 2010 published
- 2011 statistics on pupil attainment and attainment gaps between pupils eligible for free school meals and their peers published

Spring 2012:

- 2010/11 data, and hence baseline for this strategy, on relative poverty, material deprivation, absolute poverty and in-work poverty published, including income level for the 2010 absolute income target
- New birth cohort study launched
- First independent progress report on Social Mobility and Child Poverty (provisional date)

Late 2012:

- Pupil attainment and attainment gaps between pupils eligible for free school meals and their peers for 2012 published

Spring 2013:

- 2011/12 data on relative poverty, material deprivation, absolute poverty and in-work poverty published

Late 2013:

- Pupil attainment and attainment gaps between pupils eligible for free school meals and their peers for 2013 published

Spring 2014:

- 2012/13 data on relative poverty, material deprivation, absolute poverty and in-work poverty published.



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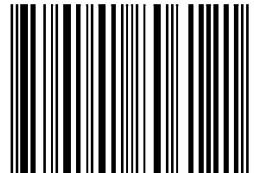
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