



# END CHILD POVERTY

## REPORT ON THE ANNUAL LECTURE

**30 APRIL 2009**

In October 2008, the End Child Poverty Campaign stated that the 2009/10 budget would be the last realistic chance for the government to meet its 2010 target to halve child poverty.

The first speaker for the morning - **Martin Narey, Chair of End Child Poverty** expressed his disappointment at the government's failure to halve child poverty by 2010, a promise first made in 1999. Instead the government has refocused its efforts on eradicating child poverty by 2020.

Martin went on to say that the government's minimum recommended income, after taking household bills into account for a family of 4 is £419. The actual amount is £258. The government's recently announced budget has closed the gap in real terms by 76p.

In closing, Martin stated that the data for healthy life expectancy on the Office for National Statistics website reveals that residents in a town called Peacock near Reading could expect to live 82 years whilst those living in the centre of Middlesbrough (Martin's home town) had a healthy life expectancy of 54 years. Figures such as these reveal the desperate need to tackle inequality and eradicate child poverty.

**Stephen Timms the Financial Secretary to the Treasury** began his speech by stating that over the years the government has brought in measures to tackle child poverty which include tax credits, the national minimum wage, work-life balance laws and the Every Child Matters agenda. He stated that government figures show that 600,000 children have been lifted out of poverty since 1999 as a result of these measures.

The focus of this year's budget was to protect jobs and to keep people in employment otherwise the target for ending child poverty for 2020 will systematically fail. The budget included £1.7bn to Job Centre Plus and a £1.2bn package for 18-24 year olds claiming JSA to ensure they are guaranteed a job.

### END CHILD POVERTY BILL

Stephen Timms went on to say that the End Child Poverty Bill is currently going through the House of Commons and will put in place a framework to eradicate child poverty by 2020. The Bill which will be published by the end of the month seeks to strengthen partnerships and collaborations locally.

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### ISSUES FOR DEBATE

Questions from the audience were put to the Minister for response.

#### 1. Commissioning & Procurement

The commissioning of private sector organisations to deliver children's services has led to experiences of lower pay for staff as well as changes in work terms and conditions which creates greater problems for parents and contributes further to child

poverty. This in turn leads to the response of increasing tax credits for parents who are worse off which then puts a higher burden on public funds. The system therefore seems senseless.

- **Minister's response**

There is an increased focus on efficiency savings across central and local government but efficiency does not necessarily mean cuts. It is recognised that outsourcing public services will happen but it should also be recognised that the level of public servants has actually increased, going up for £5.1m in 1997 to £5.7m in 2008.

## 2. **Mental Health**

There is a bigger issue which impacts on child poverty which government should address as a clear link to child poverty. Higher levels of stress and increased pressure because of debt, paying bills etc leads to mental ill-health, alcohol and drug abuse. It seems that there is less emphasis on intervention at this stage which seems wrong based on evidence on its contribution to child poverty.

- **Minister's response**

The benefits of early intervention are obvious which is why the government has placed big investments into early years such as Sure Start.

## 3. **Financial Inclusion**

There is an increase of families in debt which leads to difficulties in obtaining credit. This leads to families taking on high interest loans with door step loans and other sub-loan lenders.

- **Minister's response**

The government recognises the impact of financial exclusion on those who have difficulty accessing every day finance. Measures to combat this have included the development of credit unions, the introduction of basic bank accounts and government finance to support community development financial institutions (CDFI's).

## 4. **Housing Benefit**

The housing benefit system has been destructive in that it does not encourage people to work, instead it keeps people dependent and out of work.

- **Minister's response**

The government has ordered a review of housing benefit because it recognises some of the problems the system has created.

## 5. **Keeping the pressure on government**

The budget clearly showed the lack of commitment to meeting the target of 2010 by taking the decision to tackle employment and not child poverty.

- **Minister's response**

National debt is normally allowed to reach 20% of Britain's gross domestic product (GDP) but it will reach 80% of GDP over the next few years. The government could not therefore, afford to make commitments that it would struggle to keep. The new bill will ensure that reducing child poverty will not fall off the government's agenda.

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## **CHILD POVERTY IN KENSINGTON AND CHELSEA**

- Kensington and Chelsea is the 19<sup>th</sup> most deprived borough in London and has the 21<sup>st</sup> highest level of child poverty out of London's 32 boroughs.
- Statistics reveal that 42% of children are from low income families with 12% of children in low income families in work and 29% out of work.
- 9 borough wards are officially classed as deprived out of a total of 103.
- 59% of the poorest children in Kensington and Chelsea (those who qualify for free school meals) achieved 5 GCSE's a\*-c or more. The borough topped a new league table compiled for the campaign group End Child Poverty. Bottom of the table is Nottinghamshire with just 21%.
- Kensington and Chelsea's Local Area Agreement contains national indicator 116 – *Proportion of Children in Poverty*. The current baseline figure for the borough is 26.1% of children living in poverty. The milestone for 2009/10 is to reduce child poverty to 22.4% and by 2010/11 to 21.2%