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Press release from the Centre for Social Justice

Child Poverty measures fail children, says CSJ

Reform of the 2010 Child Poverty Act vital to helping vulnerable families, says think tank

- CSJ recommends ending relative income targets and focusing on life chances for poorer children
- CSJ report condemns current targets that encourage focus on short-term redistribution of money, rather than long-term outcomes
- Instead, CSJ proposes a governmental reporting system focused on the root causes of poverty, such as inadequate educational and employment opportunities

The Government must overhaul existing ‘unrealistic, narrow and naïve’ child poverty targets says the Centre for Social Justice (CSJ).

In its report, *Reforming the Child Poverty Act*, the CSJ outlines why the current legislation has failed to improve outcomes for the most vulnerable in society and would lead to ‘legal chaos’ for the Government.

The Child Poverty Act 2010, brought in by the last Labour government requires policy-makers to reduce inequality for households with children according to a set target. The legislation classifies those with household earnings of less than 60 per cent of the average (median) income as being in poverty.

The CSJ report calls the measures ‘arbitrary and erratic’ and outlines their failure to take account of rising living standards over the past decades.

By this relative measure, households can have been deemed to move into poverty without their circumstances changing. This means that, for example, if the pensions were to be increased, child poverty could go up without anything having changed in those families’ lives.

The CSJ recommends the complete removal of all binding legislation, which it says has demonstrably failed. Instead, government should be forced to report annually on a series of key criteria and outline their plans to make improvements.

These criteria include levels of employment, families earning less than the living wage, educational attainment of children in poorer households and levels of alcohol and drug abuse.

Commenting, the Director of the CSJ, Christian Guy, explained:

“Everyone knows the current set up isn’t working – even those who designed the original Act. Despite some outstanding recent progress on job creation and social justice measures, the official child poverty targets don’t help Government to change the lives of the poorest children.

“The Coalition couldn’t agree new poverty measures and so it falls to this Government to sort this out.

“Under the current measures, a family can be moved into or out of poverty without any change in their circumstances. A child can go to bed in poverty and wake up out of it, despite nothing meaningful having changed in their lives.

“The definition of child poverty used to design the targets fails to identify many major drivers of social breakdown.

“The naïve measures only look at income and material disadvantage and while these are important, it means investment is diverted from other social problems holding children back.

“We need a new approach. Unless we start focusing on poverty’s causes rather than just its symptoms, we will continue to fight a losing battle. Not to mention the legal chaos which might unfold as we approach 2020.

“Political parties need a new plan.”

Alex Burghart, Director of Policy who edited the current report, said, “Poverty is about more than money – for too many families it is about addiction, worklessness, family breakdown, failing schools and debt-traps. We need the Government to focus on tackling these problems that stifle young people’s life chances.”

The targets have received stinging cross-party criticism for their constraining and overly simplistic design.

Labour MP Frank Field has said one consequence of the Act has been to "straitjacket our understanding of poverty to one particular financial manifestation”.

The CSJ’s new report, *Reforming the Child Poverty Act*, argues that the Act’s "fixation on a purely financial measure of poverty has led to purely financial solutions being used to try to alleviate it”.

It reveals that "between 2003/04 and 2009/10, the Labour Government poured £170 billion into tax credits as a means of marginally increasing the income of individuals to try and take them over the arbitrary poverty line. However, despite the enormous amount of money

spent, this resulted in only a four percentage point reduction in the number of children deemed to be in poverty over the same period”.

In 2009, the Institute for Fiscal Studies calculated that reducing child poverty rates to 10 per cent in 2020 through the tax and benefit system alone would cost around £19 billion.

As a result, the next Government will find itself increasingly vulnerable to legal challenges as the 2020 deadline approaches. Legal advice given to the CSJ has suggested that, as the date draws closer, it will become more likely that the courts could require the Government to take action that would lead to the targets being met. This could mean the courts requiring the Government to change its spending plans.

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NOTES TO EDITORS

The Centre for Social Justice

The Centre for Social Justice (CSJ) is an independent think tank established in 2004 to put social justice at the heart of British politics. In June 2013, the CSJ was awarded UK Social Policy Think Tank of the Year at Prospect magazine’s Think Tank Awards.

Last year the CSJ published Breakthrough Britain 2015, which set out almost 200 evidence-based policy recommendations to tackle poverty in the UK. This included solutions to worklessness, educational failure, addiction, family breakdown and problem debt.

The current Home Secretary Theresa May said the CSJ was the “catalyst” for the Government’s Modern Slavery Bill. This legislation, which will help Britain lead a global fight against modern slavery, was a key recommendation in the CSJ’s landmark 2013 report, It Happens Here.

The CSJ has published dozens of seminal papers which have shaped government policies, including Dynamic Benefits, which has led the Coalition’ welfare reforms. Further to this, the CSJ manages an Alliance of over 300 of the most effective grass roots, poverty-fighting organisations. The CSJ is able to draw upon the expertise and experience of Alliance charities for research work and media inquiries. Journalists wishing to conduct grass-roots research into social problems can be put in touch with front-line charity directors and staff.