

Written Ministerial Statement

Thursday 16 October 2014

THE DEPARTMENT FOR WORK AND PENSIONS

Persistent Child Poverty Target

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith MP):

Today I intend to lay regulations to set a new, statutory persistent child poverty target for the UK. Later today, jointly with my Right Hon. Friend the Minister of State for Schools, I will also publish the Government's response to its consultation on the target on the Gov.uk website. I will place a copy of the Government's response in the House Library.

The Child Poverty Act 2010 requires us to set a persistent child poverty target by the end of 2014. It is our firm belief that we need a revised set of child poverty measures which underline our commitment to reducing child poverty, but better reflect the evidence about its underlying causes. We are not yet in a position to put these forward. In the meantime we remain committed to meeting our existing obligations under the Act.

At the end of this Parliament, as at the start, the coalition Government is committed to ending child poverty by 2020, transforming the lives of the most vulnerable in our society. Despite the tough economic climate, we are making progress. With employment at a record high, up by nearly 1.7 million since 2010, there are now 290,000 fewer children in workless households. Poor children are doing better than ever at school, with the proportion of children on free school meals getting good GCSEs, including English and maths, having increased from 31% in 2010 to 38% in 2013. This is the kind of lasting life change that makes a real difference to children's outcomes.

We recognise that persistent poverty can be particularly harmful to children's life chances. In representations to our consultation on the proposed new persistent child poverty target, the Social Mobility and Child Poverty Commission, and others, put particular emphasis on the damaging effects of persistent poverty and urged the Government to continue to put this at the centre of policy ambition. We will do so. Our Child Poverty Strategy 2014-17, published in June, sets out action on this front, such as tackling entrenched worklessness. We will continue to focus action on breaking the cycle of persistent poverty, exploring what further steps can be taken to reduce persistent poverty as far and as fast as possible. We will keep the degree of ambition of the target itself under close review.

We are grateful to all those who responded during the consultation and provided their views on the level of the target. In its response, the Social Mobility and Child Poverty Commission put forward an alternative approach, which would involve setting a target as a proportion of relative poverty rather than at a fixed level as defined in the Act.

We carefully considered all representations made to us and have decided, on balance, to set the persistent child poverty target at less than 7 per cent. This is based on detailed analysis looking at the relationship between relative poverty and persistent poverty historically. A target of less than 7 per cent is consistent with the other Act targets, provides the most coherent overall suite of targets and will drive continued efforts to address persistent child poverty.

We do not believe that the approach offered by the Commission would provide the coherence of targets which we consider important. It would also mean that the target could be achieved even if numbers in persistent poverty remained the same while short-term child poverty increased. This could create a possible disincentive to take action on child poverty in all its forms.

The Government is therefore laying draft regulations in Parliament which set the persistent child poverty target at less than 7 per cent. These must be debated and approved by both Houses before they can be made and brought into force.

We will continue to focus Government action on tackling the damaging effects of persistent poverty, exploring what further steps we can take to reduce it as far and as fast as possible. We will also keep the degree of ambition of the target itself under close review.