House of Commons
Work and Pensions Committee

Children in poverty: Measurement and targets

Third Report of Session 2021–22

Report, together with formal minutes relating to the report

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Work and Pensions Committee

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Contents

Summary

Children are more likely to be living in income poverty than adults. Even before coronavirus, child poverty was a growing concern—and there is clear evidence that families who were already in poverty before the pandemic have been acutely affected by it.

For that reason, we decided in January of this year to launch a wide-ranging inquiry to look at what more the Government could do to reduce the number of children growing up in poverty in the UK. This is a complex subject and so our work will be in several parts.

We have begun our review by investigating how child poverty can most accurately be measured and defined, and how the Department for Work and Pensions (DWP) should work with other parts of Government to reduce the numbers of children living in poverty.

Defining poverty

There is no single definition of poverty. Most contributors to our inquiry agreed that poverty is at least partly about not having enough material resources to meet minimum needs, once the cost of living is taken into account. The most common way of measuring this is by using income. Other methods are also used—in particular, measures of material deprivation, which ask families if they can afford certain goods, services or activities that are deemed essential.

Ministers told us that they are focused on an 'absolute' measure of poverty, which they consider to be a more useful metric, and more closely aligned with what most people think it is to be poor. We are concerned to see Ministers focusing on a single measure, rather than drawing on the rich information offered by DWP's own set of income-based measures, which combines relative, 'absolute' and broader material deprivation statistics. We recommend that Ministers reaffirm their commitment to all four of DWP's income-based poverty measures.

Consequences and causes of childhood poverty

As well as defining poverty in income terms, there are a broader set of related factors associated with poverty which are also measured. It is not always easy to separate the causes of income poverty from its consequences, especially when considered across generations. But what is clear is that poverty in childhood has significant consequences for children's lived experiences now and for their outcomes later in life. Increases in child poverty are associated with increases in infant mortality.[1]

We heard that children living in disadvantaged neighbourhoods were much more likely to end up in care, and that income poverty is associated with poorer educational

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1   Taylor-Robinson D, Lai ETC, Wickham S, et al (2019) Assessing the impact of rising child poverty on the unprecedented rise in infant mortality in England, 2000–2017: time trend analysis BMJ Open

outcomes, higher infant mortality, mental health problems, obesity, chronic illness, and a much higher risk of death in early adulthood. Analysis shows that a third of the increase in infant mortality from 2014 to 2017 may be attributed to rising child poverty.[2]

In 2014, a DWP review concluded that parental worklessness and low earnings were key factors driving child poverty. DWP also said that low educational attainment was the main factor increasing the risk that a poor child grows up to become a poor adult. But DWP's analysis also showed that childhood poverty itself increased the risk of poverty in adulthood because of its effect on educational attainment. Other witnesses told us that rising living costs, low pay, limited and insecure work and reforms to social security since 2010 were all factors driving recent trends in child poverty. Further changes to the labour market, reforms to social security and a growing proportion of children in poverty in working families, compounded by the effects of the pandemic, leads us to conclude that DWP now needs to look again at the evidence on child poverty. We recommend that DWP commissions a new review of the latest evidence on child income poverty, its definitions, its causes and its consequences.

Measuring child poverty

Poverty measurement is important because it translates abstract concepts and definitions into very concrete expressions of who is poor and who needs extra help. Doing this necessarily involves judgements about what to measure and how those measurements should be used. The Welfare Reform and Work Act 2016 placed a duty on the Secretary of State to measure indicators of worklessness and educational attainment alongside four income-based measures of poverty that were previously referred to in the Child Poverty Act 2010. The Government in 2016 argued that indicators of worklessness and educational attainment directed policy attention to the underlying causes of child poverty.

We think these indicators are useful as part of a wider measurement framework which assesses the causes and consequences of child income poverty, but they are not a substitute for measuring poverty itself. Nor do they measure the amount and quality of work, and the quality of support available to young families. We recommend that DWP should broaden the scope of its metrics, acknowledging that most children in poverty are in working families.

A single measurement framework

DWP's key collections of poverty and wider social deprivation statistics, including worklessness and educational attainment, are all published separately. The Office for National Statistics also publishes its own statistics on household income. There is no consolidated publication or central webpage supported by a clear narrative setting out how all the measures link together. The current arrangements are a missed opportunity. DWP should develop and present a comprehensive poverty measurement framework which brings together core income measures of child poverty alongside wider

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2   Qq47–48

deprivations including those related to education, health, family and work. It should continue to learn from recent international approaches to poverty measurement which draw on multidimensional techniques.

The Social Metrics Commission has devised its own framework for measuring poverty, intended to achieve a new political consensus. In 2019, DWP announced that it would publish "experimental" statistics based on the Social Metrics Commission's measurement framework. This work was suspended following the start of the pandemic, which was understandable. But progress now seems to have ground to a halt. The Secretary of State told us that DWP was still deciding on its strategy. DWP needs to be clearer about its plans for poverty measurement.

Need for a child poverty strategy

The Welfare Reform and Work Act 2016 removed the requirement in the Child Poverty Act 2010 to publish a UK wide child poverty strategy. We heard strong views that the absence of a strategy has left the Government without a clear focus on tackling child poverty, with departments working in siloes and a lack of clear leadership.

The Secretary of State for Work and Pensions chairs a new Inter-Ministerial Group on measures to address the cost of living. That is a welcome development. But the work of that group cannot be a substitute for a meaningful strategy, given the scale of the challenge.

The Government must now commit to implementing a cross-departmental strategy for reducing child poverty, setting clear and measurable objectives which draw on the latest evidence.

Quality, timeliness and completeness of child poverty data

DWP publishes its statistics about households in low income a long time after the period to which they relate; for example, the first publication of data relevant to experiences during the pandemic will not be available until March 2022. The Department should make better use of the administrative data it holds about benefit claimants, as well as HMRC's tax records, to produce closer to 'real-time' data on child poverty to inform its strategy and account for its performance. We were encouraged to hear that DWP is working with the Department for Health and Social Care to measure the longer-term impacts of the pandemic on families' labour market and health outcomes. It should supplement this analysis by commissioning targeted research into the impacts of the pandemic on children living in low income families.

DWP also needs to collaborate more with other producers of income statistics in Government and with key academic partnerships to get the best evidence it can on child poverty. The quality of data that DWP collects through its key survey on poverty and income, the Family Resources Survey, has been limited by its sample size, reducing understanding of child poverty and solutions to it. We welcome DWP's decision to increase the sample size of the Family Resources Survey, which will enable more detailed analysis of some families and their children in poverty, including ethnic

minority families. But the increased sample size will not be enough to address the real dearth of data on children in families with no recourse to public funds. We recommend that DWP works with others in Government to address this gap in its understanding.

Other data gaps, including those on the extra costs of disability or unavoidable debt repayments, further reduce our understanding of which children and families are in poverty. To improve its measurement of income poverty, DWP should work with others, including the Office for National Statistics, to identify a list of inescapable household costs and define options for how data on these might be collected.

1   Introduction

1.   Children are more likely to be living in poverty than adults. Child poverty is approaching twice the rate of pensioner poverty, and at least one and a half times the rate of poverty in working adults without children (after housing costs are included).[3] Even before coronavirus, child poverty was a growing concern. In January 2021, we launched a wide-ranging inquiry to examine what more the Government could do to reduce the numbers of children who grow up in poverty in the UK. This is a complex subject and so our work will be in several parts; we expect to produce several reports, of which this is the first. We wanted to begin our work by investigating how child poverty can most accurately be measured and defined, and how the Department for Work and Pensions should work with other parts of Government to reduce the numbers of children living in poverty.

Defining and measuring poverty

2.   There is no single, universally accepted, definition of poverty. Most of the people and organisations we heard from for this inquiry accepted that poverty is at least partly about not having enough material resources. The British Social Attitudes Survey shows that people have different views about where to draw the line below which some people are considered to be living in poverty.

3.   Different measures of poverty produce different results. For example, using DWP's 'Households Below Average Income' statistics, Figure 1 shows that the proportion of children in 'relative low income' has increased by nearly 4 percentage points since 2011/12 (after housing costs), reaching 31% in 2019/20. Figure 2, on the other hand, shows that the proportion of children in 'absolute low income' has fallen by over 3 percentage points over the same period—reaching 25% in 2019/20.[4] Meanwhile, DWP's statistics show that the proportion of children in combined low income and material deprivation has remained broadly flat in recent years.[5]

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3   Institute for Fiscal Studies, Living Standards, poverty and inequality in the UK: 2021, July 2021, Figures 2.11 and 2.12

4   Ibid and Department for Work and Pensions, HBAI data tables, 25 March 2021, Table 4.1tr and Table 4.2tr

5   Department for Work and Pensions, HBAI: An analysis of the income distribution FYE 1995 to FYE 2020, 25 March 2021

Figure 1: Relative low income or 'poverty' (after housing costs), 1990 to 2019/20
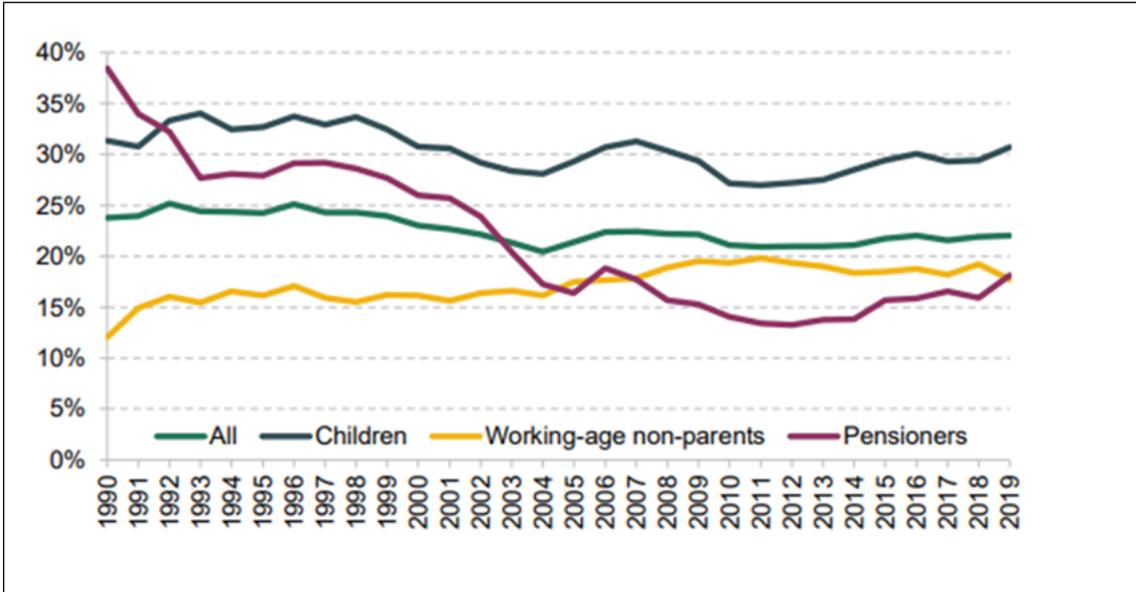
Notes:

1. Relative low income or 'poverty' measured as a percentage of people on household income less than 60% of the median.

2. Great Britain before 2002/03, UK since 2002/03 (inclusive). Financial years since 1994.

Source: Institute for Fiscal Studies Living Standards, poverty and inequality in the UK: 2021, July 2021, Figure 2.11. Data taken from DWP Family Expenditure and Family Resources Surveys.

Figure 2: Absolute low income or 'poverty' (after housing costs), 2007/08 to 2019/20
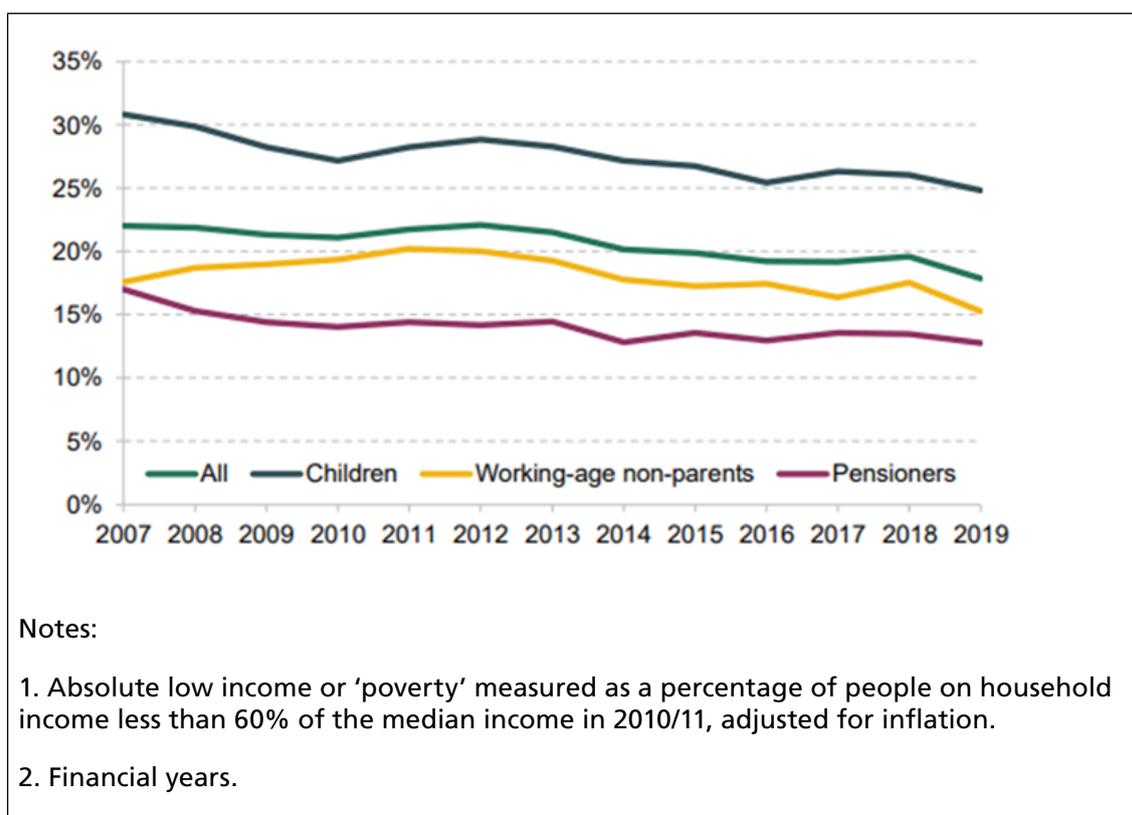
Notes:

1. Absolute low income or 'poverty' measured as a percentage of people on household income less than 60% of the median income in 2010/11, adjusted for inflation.

2. Financial years.

Source: Institute for Fiscal Studies, Living Standards, poverty and inequality in the UK: 2021, July 2021, Figure 2.12. Data taken from DWP Family Resources Survey.

4.   When the Government, politicians and campaign groups talk about child poverty they can appear to be at cross-purposes, because they are using different statistics and definitions of poverty to make their argument. The Office for Statistics Regulation has argued that this can "mask the complexity of the underlying issue", and that "measures can be used selectively, to suit a particular argument or point of view".[6]

Targets and strategy

5.   Recent political debates on child poverty are reflected in legislative developments since 2010. The Child Poverty Act 2010 set targets for the reduction of the percentage of children in the UK living in households with relative low income, with absolute low income, with combined low income and material deprivation and with persistent low income.[7] The 2010 Act also placed a duty on the Secretary of State to lay before Parliament a UK strategy to reduce child poverty and to report regularly on progress.[8] Similar duties were placed on Scottish Ministers and the 'Northern Ireland Department'.[9]

6.   The Welfare Reform and Work Act 2016 removed from law both the child poverty targets and the requirements to develop strategies.[10] It did, however, require the

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6   Office for Statistics Regulation (2021) Review of income-based poverty statistics, 19 May 2021, Executive Summary

7   Child Poverty Act 2010

8   ibid

9   ibid

10   Welfare Reform and Work Act 2016 (legislation.gov.uk), para 22

Government to publish data annually on the four income measures set out in the 2010 Child Poverty Act.[11] The 2016 Act introduced a duty for the Secretary of State to report annually on two new measures:

- the proportion of children living in workless households and in long-term workless households; and

- educational attainment at Key Stage 4 (England) for all children and disadvantaged children.[12]

The Government viewed these new measures—described as "life chances measures" in the 2016 Act—as being indicative of the "root causes" of child poverty.[13]

Our inquiry

7.   We received 39 different written evidence submissions and conducted five oral hearings. In our oral hearings, we heard from academics, the Social Metrics Commission, the Office for Statistics Regulation, think tanks, charities providing support to children in poverty, local authority representatives, the former Children's Commissioner for England and the current Children and Young People's Commissioner for Scotland. We heard from the Minister for Welfare Delivery and his DWP officials. The inquiry has also benefited from having Dr Caroline Johnson MP and Kim Johnson MP from the Education Committee as guests during our oral hearings. We are very grateful to everyone who has contributed.

8.   Since people refer to 'poverty' in different ways, we think it is important for us to be as clear as possible about how we use the term. In Box 1 below we set out some key definitions for readers of this report.

Box 1: Poverty terminology and definitions used in this report

Term	How we use these terms in this report
The concept or definition of poverty	We heard evidence that being in poverty means, at a high or abstract level, having a lack of resources and, at least partly, a lack of material resources. Many people who use the term poverty are also referring to the effects of that lack of resources.
Measures of poverty which are a 'proxy' for the concept	Poverty measures translate a high-level definition of poverty into concrete and quantifiable terms so that poverty can be monitored over time. We heard from witnesses that there are different ways of measuring poverty. Measures which use income are often applied.

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11   House of Commons, Briefing Paper Welfare Reform and Work Bill 2015–16: Lords amendments, 18 February 2016; and Welfare Reform and Work Act 2016 (legislation.gov.uk), para 15

12   Welfare Reform and Work Act 2016 (legislation.gov.uk), section 5

13   Welfare Reform and Work Act 2016 (legislation.gov.uk), paragraph 16–18 and Department for Work and Pensions Government to strengthen child poverty measure, 1 July 2015

Term	How we use these terms in this report	
	Income-based poverty measures	For income-based measures, household or individual income is compared with a threshold income level (or 'poverty line') below which a household or individual is said to be in poverty, or more precisely, in income poverty. When we discuss poverty measurement in this report, we refer mainly to income poverty. This reflects DWP's approach to measuring poverty. There are different ways of measuring income poverty (see later chapters). We also refer to the Social Metrics Commission's measure of 'all material resources', which is broader than income alone and takes account of some of the inescapable costs that households face.
	Material deprivation	We also refer to material deprivation, which measures poverty according to whether people can afford certain goods, services or activities that are considered to be essential. Measures of material deprivation will be informed by survey and qualitative research with people to gain their views on what is considered essential.
	Subjective measures	Finally, we also refer to survey evidence from the British Social Attitudes Survey which reports people's subjective views on where a 'poverty' threshold should be drawn to measure poverty. We also discuss the Joseph Rowntree Foundation's "Minimum Income Standard", which is not itself a measure of poverty but reflects detailed public deliberation about what constitutes an acceptable minimum standard of living.

Term	How we use these terms in this report
	DWP's current statistical reporting combines measures of what it calls 'low income' and material deprivation. It refers to 'low income' rather than 'poverty' to reflect what is actually being measured. The Office for Statistics Regulation has said that the language and terminology used in Government reporting of income-based poverty statistics could be clearer, bearing in mind that a primary use of these data is "to describe poverty".[14] In this report, we use the terms 'low income' and 'income poverty' interchangeably, reflecting the nature of the Government's measures.
	Decisions about where to draw an income poverty line or decisions about which goods, services or activities are considered essential are, of course, a matter of judgment. These judgements are variously informed by measurement convention, analysis of the difference that being 'in poverty' makes to people's lives, and research which explores people's views about what constitutes a lack of resources.
Wider social deprivations associated with poverty and multi-dimensional approaches	In this report we describe the factors that are associated with income poverty but are not income poverty itself (for example, factors relating to educational attainment, health, housing, family stability and employment). We refer to these as wider social deprivations.
	It is not always easy to separate cause and effect, but these wider deprivations either make income poverty more likely (causes or 'drivers') or are an effect of it (consequences) or are, at times, both (bidirectional) or are simply associated but with no clear relationship. Moreover, at times they may each interact in complex ways. More generally, we acknowledge that outcomes for children can only be partly explained by whether they grew up in income poverty. The depth and persistence of that poverty, as well as other factors, are also likely to be important.
	Some countries and international organisations have combined income-based measures and wider social deprivation measures to form multi-dimensional measurement frameworks (see later chapters).

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9.   The Office for Statistics Regulation, the UK's regulator of official statistics, completed a review of income-based poverty statistics in May this year.[15] This review has informed our work. The regulator's "strategic recommendations" from its review are in Box 2 below. DWP has said that it is working with other statisticians in Government to assess the feasibility of these and other detailed recommendations.[16]

Box 2: Office for Statistics Regulation's strategic recommendations from its review of income-based poverty statistics (May 2021)

> *Overall strategic recommendations*
>
> •   The Government Statistical Service 'Income and Earnings Coherence Steering Group' (which includes DWP and the Office for National Statistics amongst others) needs to continue to collaborate and demonstrate leadership of the income-based poverty statistics landscape, to move away from producing a series of individual outputs to a more coherent and comprehensive evidence base.
>
> •   Statistics producers need to better understand how the income-based poverty statistics are being used across policy and service provision and how the evidence base can be improved.
>
> •   Innovation is needed for the statistics to deliver their full potential and serve the public good. Opportunities for data linkage should be maximised and data gaps should be addressed, building on work already underway to explore the use of administrative data and its integration with social surveys.

Source: Office for Statistics Regulation, Review of income-based poverty statistics, May 2021, p27

10.   **The Office for Statistics Regulation has recently made recommendations for improving income-based poverty statistics. DWP has said that it is considering its response to these recommendations, working with others in Government.**

11.   *We recommend that DWP publishes a detailed and full response to all the recommendations made by the Office for Statistics Regulation in its review of income-based poverty statistics by March 2022.*

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15   Office for Statistics Regulation, Review of income-based poverty statistics, May 2021
16   Department for Work and Pensions, Statistical work programme guidance, 19 August 2021, accessed 23.8.21

2   Defining child poverty, identifying its causes and consequences

Defining poverty

12.   What constitutes 'poverty' has long been debated. In the evidence we received for this inquiry, most contributors agreed that poverty was at least partly about having insufficient 'material resources' to meet minimum needs, once the cost of living was taken into account. For example, Robert Joyce from the Institute of Fiscal Studies defined poverty as "essentially who has low material living standards".[17] Dr Kitty Stewart from the Centre for Analysis of Social Exclusion at the London School of Economics and Political Science described poverty as "not having enough resources to be a part of the society in which you live".[18] Edward Davies from the Centre for Social Justice saw poverty as, fundamentally, not having "enough money to buy things".[19] Rebecca Jacques from the Children's Society told us that "poverty is about a lack of income ultimately".[20] Helen Barnard from the Joseph Rowntree Foundation said that poverty was having "resources … below what you need to meet your needs".[21]

13.   Public opinion varies more widely when discussions about poverty move on to defining what a 'minimum' level of need is. For example, the British Social Attitudes Survey asks three questions on poverty which move from a narrower, exclusive, definition to a broader, more inclusive, definition. Box 3 summarises its findings. Almost everyone, around nine in ten, thinks that someone is in poverty "if they had not got enough to eat and live without getting into debt". However, people are divided as to whether someone who met these criteria but did not have enough "to buy other things they needed", would be in poverty. Finally, nearly three in ten people think that someone who has "enough to buy the things they really needed, but not enough to buy the things most people take for granted" is in poverty. These data also suggest that the proportion of people who define poverty with reference to "the things most people take for granted", the broader definition, has increased slightly with time.

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17   Q117
18   Q25
19   Q23
20   Q64
21   Q21

Box 3: British Social Attitudes Survey: Views on different definitions of poverty

	2006	2010	2013	2018	Change 2006-2018
Enough to buy the things they really needed, but not enough to buy the things most people take for granted	%	%	%	%	
Was in poverty	22	21	19	28	+6
Was not in poverty	76	77	78	69	-7
Enough to eat and live, but not enough to buy other things they needed	%	%	%	%	
Was in poverty	50	54	47	55	+6
Was not in poverty	48	45	51	42	-6
Not enough to eat and live without getting into debt	%	%	%	%	
Was in poverty	89	91	87	88	-1
Was not in poverty	10	8	11	11	+1
Unweighted base	3240	3297	3244	2884	

Source: Curtice, J., Clery, E., Perry, J., Phillips M. and Rahim, N. (eds.) (2019), British Social Attitudes: The 36th Report, London: The National Centre for Social Research

14.   Where a line is drawn to identify people 'in poverty' and, as such, in need of extra help has to date been a matter of judgement. It is, though, a judgement that cannot be divorced from the society in which people live. Helen Barnard from the Joseph Rowntree Foundation described a poverty line as "a proxy - a benchmark for social norms".[22] For children, their experience of poverty is, inevitably, mediated by the circumstances and behaviours of the adults who care for them.[23]

15.   We asked the Minister for Welfare Delivery, Will Quince, to say what poverty meant to him. He referred us to the findings of the British Social Attitudes Survey (Box 3 above) and described what he saw as a "massive disconnect" between the reported statistics on poverty and "what the public perceive to be poverty and not poverty".[24] He said:

> 28% of the public see not having enough to buy the things that most people take for granted as poverty, but 90% of people see poverty as struggling to afford the essentials, for example those cost-of-living elements like energy, food, transport, without getting into debt.[25]

16.   Speaking to us in July, the Secretary of State, Thérèse Coffey, referred to the same attitudinal survey data. She said that "the vast majority of the British population do not

22   Q26
23   Goulden, C and D'Arcy, C (2014) A Definition of Poverty, September 2014, Joseph Rowntree Foundation.
24   Q218
25   ibid

accept the concept of relative income being the driver of whether somebody is poor or not" and argued that having an income above or below 60% of median earnings was not automatically a guide to whether "someone was wealthy or not."[26] Her efforts, she said, were focused on doing "what we can to just improve general standards of income regardless" and that a definition of poverty should not necessarily be based "on what many other people are earning."[27] However, when the public are involved in subjectively determining the basic necessities individuals and a family should be expected to live on, they are much more generous than 60% of median income.[28]

17.   Witnesses also described the different ways of thinking about a lack of 'material resources'. Most thought of it in terms of a lack of income. Robert Joyce also referred to recent work by the Social Metrics Commission to develop a more rounded assessment of material resources by trying "to bring in information about savings and costs that are hard to avoid" as well as income.[29]

Consequences and causes of child poverty

18.   As well as defining poverty in income terms, there are a broader set of related factors that can be thought of as the:

- consequences, or effects, of child income poverty; or the

- causes or drivers of income poverty—the things that make it more likely.

Separating the consequences and causes of child income poverty is not always straightforward, especially when considered over the long-term. For example, poor educational attainment may partly be a consequence of poverty experienced in childhood, but poor educational attainment may itself lead to poorer employment outcomes in adult life—which then in turn become a driver of child poverty for the next generation. Even when considered over a shorter time frame, factors such as family breakdown can be a consequence of poverty-induced family stress but can also be a cause of deeper income poverty for children whose parents have separated. We invited witnesses to describe how poverty, understood in income terms, interacts with these wider factors.

19.   Witnesses told us that child income poverty is associated with increased engagement with children's services, and poorer education and health outcomes. Professor Paul Bywaters, Professor of Social Work at the University of Huddersfield, said that a child living in the most disadvantaged 10% of neighbourhoods in England was "over 10 times more likely to be in care than a child in the least disadvantaged 10% of neighbourhoods".[30] Dr Kitty Stewart from the Centre for Analysis of Social Exclusion at the London School of Economics and Political Science said that systematic reviews of the evidence had shown a clear link between child income poverty and educational attainment where the evidence "was really strong that money itself makes a difference to children's outcomes".[31]

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26   Q1 and Q11 The Work of the Secretary of State for Work and Pensions, non-inquiry session, 7 July 2021
27   Q2 ibid
28   See Joseph Rowntree Foundation, Minimum Income Standards, accessed September 2021 and comparison in London at: Poverty definitions and thresholds | Trust for London, accessed September 2021
29   Q117
30   Q46
31   Q33

20. Professor David Taylor-Robinson, Professor of Public Health and Policy at the University of Liverpool said that his published analysis of child poverty in the UK had shown that "for every 1% increase in child poverty, there was a 5.8 per 100,000 increase in infant mortality, almost entirely in the most disadvantaged areas".[32] Professor Taylor-Robinson also referred to a study by his team using data from the Millennium Cohort Study of 20,000 children born in the year 2000. He said that this analysis had shown that "20% of children were in persistent poverty" and those children "had three to four times the risk of mental health problems, double the risk of obesity and double the risk of long-term chronic illness".[33]

21. Professor Taylor-Robinson told us about another study his team had recently published in *The Lancet* which, through data linking, had followed up over 1 million children looking at their experience of poverty in childhood with their risk of death in adulthood. In this case, "even transient exposure to poverty around the time of birth was associated with increased risk of death, a 50% increased risk of death in early adulthood."[34] If children were in persistent poverty, then "that doubled the risk of death in early adulthood, death from suicide, accidents and cancers."[35]

22. Professor Bywaters described the 'mechanism' that leads to poorer outcomes later in life. He said that a lack of money contributes to stress in the family, to parental conflict, poor mental and physical health and, in some cases, to "damaging use of drink and drugs".[36] In contrast, he said that wealthy parents were able to draw on resources to invest in their children:

> The other side of the picture–alongside the stress model–is what is called in the jargon the investment model … At the wealthy end, parents will pay for childcare, they will pay for private education, they will pay for tutoring and extracurricular activities, sports and music lessons, they will pay for therapy, treatment and care …[37]

23. We heard different opinions about the role of family stability and breakdown and whether it was a consequence or a cause of income poverty. Professor Taylor-Robinson said that poorer families were more likely to experience parental separation compared to families in the richest areas, but his assessment was that "income poverty is the key thing that we need to solve to address this problem".[38] Yasmin Rehman, from the domestic violence charity Juno Women's Aid, said that the families she worked with "were in poverty before they came to us prior to the family breakdown."[39] Edward Davies from the Centre for Social Justice offered a slightly different perspective, commenting on the link with educational attainment. He argued that "poverty is a part" and "you need to make sure that people have enough money to survive". But he also noted that Ofsted "cites the stability of homes as more important than deprivation now, so as difficult as it is we have

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32   Q47
33   Q46
34   ibid
35   ibid
36   Q56
37   Q56
38   Q62
39   Q58

to go there in our metrics, and we have to understand that".[40] He said that: "a lot of other factors can bring stability: help with parent support; relationship support; family hubs … ; and using birth registration as a point to intervene in people's lives."[41]

24.   Professor Bywaters accepted that "we need to do a better job as a society of supporting families" and "supporting families much better to stay together", but he argued that this "begins by making sure that all families have basic socioeconomic conditions that enable them to function well."[42]

25.   In 2014, DWP conducted its own review of the evidence on what it called the "drivers" of child income poverty.[43] This analysis informed the Government's last Child Poverty Strategy for 2014–17.[44] The DWP review concluded that parental worklessness and low earnings were key factors. However, it also found that other factors, such as low parental qualifications, parental ill-health, family size, family instability, and drug and alcohol dependency, all of which may affect parents' capacity to work, were important too.[45] The Department's review found that the main driver increasing the risk that a child in income poverty now will grow up to be a poor adult was their level of educational attainment.[46] But DWP also said that childhood poverty itself increases the likelihood of future poverty through its negative impact on educational attainment.[47] DWP published further analysis in early 2017 which, it said, showed that children in workless families were much more likely to experience multiple disadvantage, and have poorer outcomes as a result; though it acknowledged that the number of children in families where no parent was in paid employment had fallen in recent years."[48]

26.   The Child Poverty Action Group has also referred to what it sees as the factors driving recent trends in child poverty. It says that child income poverty is rarely the product of any single cause and that "rising living costs, low pay, lack of work, and inadequate social security benefits" combine to leave some families in poverty.[49] Helen Barnard from the Joseph Rowntree Foundation identified similar themes, but also referred to the increase in insecure work and the cost of housing as factors driving recent child poverty.[50] The Joseph Rowntree Foundation has previously said that government policy needs to pay close attention to the links between housing and poverty.[51] The Resolution Foundation has also made the link between "post-2010 reforms to the social security system" and a growing divergence in child income poverty rates between smaller and larger families.[52]

27.   The Social Metrics Commission, established in 2016 by Baroness Philippa Stroud to build agreement around a new approach to poverty, concluded that it was not always

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40   Q33
41   Q36
42   Q62
43   HM Government (2014) An evidence review of the drivers of child poverty for families in poverty now and for poor children growing up to be poor adults, Cm 8781, p6
44   HM Government (2014) Child Poverty Strategy 2014–2017, June 2014.
45   Ibid, p6
46   ibid, p8
47   Ibid, p8
48   Department for Work and Pensions (2017) Improving Lives: Helping workless families, analysis and research pack, April 2017, p8
49   Child Poverty Action Group, The causes of poverty | CPAG, accessed August 2021
50   Q23
51   Tunstall, R et al (2013) The links between housing and poverty, 5 April 2013, Joseph Rowntree Foundation
52   Resolution Foundation, In need of support? Lessons from the Covid-19 crisis for our social security system, April 2021,p19–20

straightforward to separate the causes of child poverty from the consequences of it.[53] Baroness Stroud told us that its members had had "very long debates" on this question.[54] The Social Metrics Commission subsequently produced a list of "lived experience indicators" that Baroness Stroud said "correlate with poverty" but are both a cause and a consequence of it.[55] Baroness Stroud gave the example of family breakdown where the act of the family breaking down "puts children into poverty" because of the loss of joint income, or where "the stress of being in poverty … causes a family to break down".[56]

28. **Poverty is at least partly about a lack of material resources, and most people consider income to be a core measure of poverty. But definitions of poverty cannot be entirely divorced from the society in which people live. A 'poverty line' should relate to the normal expectations of, and the cost of living and participating in, that society. Making a decision about where to draw that line is, however, a matter of judgment. These decisions should nevertheless be informed by what the evidence tells us about the impact of being below that line.**

29. **We heard compelling evidence describing why a lack of material resources in childhood matters and the impact it has on child development and their future outcomes. But defining poverty in income terms does not mean that the Government's response to poverty should neglect the underlying causes of it. A holistic approach to child poverty should target the income poverty itself and the factors that lead to it or are made worse by it.**

30. **DWP's analysis of the drivers of child income poverty from 2014 concluded that a key factor was the quantity and quality of paid work in families. Since this analysis, the labour market has continued to evolve and more children in income poverty are now in working families. We have seen the disruption caused by the pandemic and there has been a further decoupling of social security from the cost of living. We think the time is now right for the Department to revisit its analysis.**

31. *We recommend that DWP should commission a systematic review of the latest evidence on child income poverty, its definitions, its causes and its consequences. It should use this review to prompt a better dialogue with the public, charities and others, and inform future cross-government work on measures to address child poverty. The findings from this review should be published by July 2022.*

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53   Social Metrics Commission A new measure of poverty for the UK, September 2018, p74–76
54   Q129
55   ibid
56   ibid

3   Measuring child poverty

32.   Defining poverty using a measure of income involves setting a threshold or poverty line below which a household's income is said to be low when compared with the average (median) income. The Welfare Reform and Work Act 2016 requires Government to measure and report four indicators of low income for children.[57] DWP meets this requirement on behalf of Government through its 'Households Below Average Income' statistics for three measures and through its Income Dynamics statistics for a fourth measure (Box 4).

33.   Income measures of poverty are regularly used to assess whether people have a lack of material resources, but other methods are also used. For example, one of the 'Households Below Average Income' statistics combines a measure of low income with a measure of material deprivation. Assessing material deprivation involves asking households whether they can afford certain goods, services or activities that are judged to be essential.[58] Robert Joyce from the Institute for Fiscal Studies also referred to measures which use household consumption and expenditure.[59] He said that these other approaches complement measures of low income and add to our understanding of poverty.[60] The Office for National Statistics has used expenditure surveys to measure poverty.[61]

Income-based poverty measures

34.   The four income-based measures in the Welfare Reform and Work Act 2016 (Box 4) all use a proportion of median (or 'middle') income as the benchmark or threshold to define low income or poverty. In most cases, this is 60% of median income but proportions either side of this figure are also reported. The decision of where to draw a poverty line on an income distribution is, ultimately, a matter of judgement. However, DWP's income-based poverty measures benefit from a consistent approach that has been used over many years and is comparable with methods in many other countries. Dr Mike Brewer from the Resolution Foundation told us that DWP's Households Below Average Income statistics had "many strengths", including that they provide "a very long run of data and international comparability."[62]

Box 4: Income poverty measures in the Welfare Reform and Work Act 2016

Percentage of children in the UK:	DWP publication (date)	Latest data reported
(a) who live in households whose equivalised net income for the relevant financial year is less than 60% of median equivalised net household income for that financial year;	Households Below Average Income Statistics (March annually, latest March 2021)	To March 2020

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57   Welfare Reform and Work Act 2016 (legislation.gov.uk), para 15
58   Department for Work and Pensions, Child material deprivation, Appendix 3
59   Q117
60   ibid
61   Office for National Statistics, An expenditure-based approach to poverty in the UK: financial year ending 2017, accessed 19 August 2021
62   Q120

Percentage of children in the UK:	DWP publication (date)	Latest data reported
b) who live in households whose equivalised net income for the relevant financial year is less than 70% of median equivalised net household income for that financial year, and who experience material deprivation;	Households Below Average Income Statistics (March annually, latest March 2021)	To March 2020
(c) who live in households whose equivalised net income for the relevant financial year is less than 60% of median equivalised net household income for the financial year beginning 1 April 2010, adjusted to take account of changes in the value of money since that financial year;	Households Below Average Income Statistics (March annually, latest March 2021)	To March 2020
(d) who live in households whose equivalised net income has been less than 60% of median equivalised net household income in at least 3 of the last 4 survey periods.	Income Dynamics (March annually, latest March 2021)	To March 2019
Note: 1. Equivalisation is about using a standard methodology to adjust household income to account for the different financial resource requirements of different household types, based on size and composition. For example, a couple family with three children needs a larger income to maintain a standard of living than a person living alone.		

Source: Welfare Reform and Work Act 2016, Households Below Average Income and Income Dynamics.

35. DWP's statutory indicators include a relative poverty measure and an 'absolute' poverty measure. The relative poverty line marks income that is less than 60% of the median income for that financial year. The weekly cash value of the relative poverty line for a couple with two children in 2019/20 was £400 after housing costs.[63] DWP's 'absolute' poverty line marks income that was less than 60% of the median income for 2010/11, adjusted for inflation. The weekly cash value of the 'absolute' poverty line for a couple with two children was £361 in 2019/20.[64] DWP told us in its written evidence that the Government's preferred measure was absolute poverty. It said that:

> This government believes, and has always believed, that absolute poverty is a better measure of living standards than relative poverty which can provide counter-intuitive results. Relative poverty tends to fall when median income shrinks, such as during economic downturns, which is particularly relevant in the current circumstances.[65]

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63   Institute for Fiscal Studies, Living Standards, poverty and inequality in the UK: 2021, July 2021, Table B1
64   Ibid, Table B1
65   Department for Work and Pensions (CPM0037)

When the Secretary of State appeared before us in July, she repeated the Government's critique of the relative measure of poverty, saying:

> Relative incomes is a statistical measure, which genuinely just moves around. It is quite highly likely that once we are through the statistics that reflect the last year, we may well end up with relative poverty falling considerably.[66]

She added, however, that she was "very much focused on aspects of material deprivation in my approach".[67]

36.   Witnesses challenged the Government's argument. Ed Humpherson from the Office for Statistics Regulation (OSR) said that his office had concluded that income poverty should not be measured using a single indicator. He argued that it was better to use "a basket of measures".[68] Moreover, Robert Joyce from the Institute for Fiscal Studies indicated that the question of whether a relative or absolute measure should be used to assess the level of poverty was, in fact, a false dilemma since both serve different and complementary purposes:

> […] a relative way of thinking about it is more relevant if you are assessing long-term trends and an absolute way of thinking about it is more relevant if you are assessing trends from year to year, but there are those fundamentally different ways of thinking about poverty that are both useful and I wouldn't want to discard either.[69]

37.   Dr Kitty Stewart from the Centre for Analysis of Social Exclusion noted that the Government's preferred 'absolute low income' measure, is, in fact, "not actually absolute".[70] It is a measure that is fixed to the relative poverty level from 2010/11 and adjusted annually for inflation since.[71] This measure therefore shows whether incomes at the bottom end of the income distribution have kept pace with prices since 2010/11, but not whether they have kept pace with incomes overall.[72]

38.   The risk of an 'absolute low income' measure of this kind is that it loses pace with what most people in society regard as a threshold standard of living. For this reason, the New Zealand government reviews its base year for calculating 'absolute' poverty every 10 years.[73] When we took evidence from the Minister and his officials in June, they told us that they were "definitely looking at" whether it was time to update the base year used for DWP's 'absolute' income poverty measure.[74]

39.   Material deprivation measures can also become detached from what most people see as the threshold or minimum required to live and participate in society over time. DWP's measure of material deprivation is founded on survey questions that were first asked in 2010/11, some 10 years ago.[75] By contrast, for its 'Minimum Income Standard' calculation, the Joseph Rowntree Foundation commissions Loughborough University to do 're-basing'

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66   Q2, The Work of the Secretary of State for Work and Pensions, non-inquiry session, 7 July 2021
67   Q6 ibid
68   Q117
69   Q117
70   Q25
71   ibid
72   Institute for Fiscal Studies, Living Standards, poverty and inequality in the UK: 2021, July 2021, p26
73   Stats NZ Measuring child poverty: Concepts and definitions (second edition), accessed August 2021
74   Q161
75   DWP HBAI Quality and Methodology Information Report FY 2020, accessed 16.8.21

research with the public every four years. This is to find out what people think are the goods and services families with children (and other household types) need for what the Foundation calls a "decent" living standard.[76] The four-yearly cycle acknowledges that social norms and things like technology do, over time, alter what people need to live a normal life and participate in society.[77] Ed Humpherson from the Office for Statistics Regulation said that they "really like the process" used for the Minimum Income Standard and that "it gives a better insight into current notions of deprivation" than the list of questions used by DWP. He added that DWP's questions were "now looking a little dated."[78]

40.   **Poverty measurement is important because it involves translating abstract concepts and definitions into very concrete expressions of who is poor and who needs extra help. Backed by a legal obligation to do so, the UK Government measures and reports child poverty through a suite of income-based indicators which enable consistent tracking over time. DWP plays a valuable role in overseeing this measurement work.**

41.   **Ministers have made clear to us that they consider absolute income poverty to be the most useful measure. They have been dismissive of the Government's own measure of relative income poverty. But both measures have advantages and disadvantages. The Secretary of State is of course right to say that a relative measure can, in the short term, produce counter-intuitive results—but it has great value for assessing long term trends. We are concerned to see Ministers focusing on a single measure, rather than drawing on the rich information offered by DWP's own set of income-based measures, which combines relative, 'absolute' and broader material deprivation statistics.**

42.   *Ministers should reaffirm their commitment to measuring poverty through all four measures of children in low income as set out in the Welfare Reform and Work Act 2016. To keep these poverty measures aligned with what is considered normal or essential today, DWP should review the appropriateness of the base year used in the Government's 'absolute low income' measure and the relevance of questions asked about goods and services in its 'low income and material deprivation' measure. DWP should ensure that improvements to the four income-based measures are made in line with the UK Statistics Authority Code of Practice for Statistics.*

Worklessness and educational attainment

43.   The Welfare Reform and Work Act 2016 requires the Secretary of State for Work and Pensions to publish data annually on:

- the number of children living in workless households; and

- children's educational attainment in England at Key Stage 4 (aged 16).[79]

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76   Joseph Rowntree Foundation Minimum Income Standards, accessed 16.8.21 and Centre for Research in Social Policy A minimum income standard for the UK, accessed 16.8.21

77   Centre for Research in Social Policy (Loughborough University), Minimum Income Standard Research, accessed 16.8.21

78   Q117

79   Welfare Reform and Work Act 2016 (legislation.gov.uk)

DWP publishes these indicators separately from its income poverty measures as part of a compendium of nine indicators in its 'Helping workless families' series. The Department describes these indicators as "underlying measures" to track progress in tackling "the disadvantages that affect families and children's outcomes" (Box 5).[80]

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80   Department for Work and Pensions, Improving Lives: Helping Workless Families indicators 2021, 25 March 2021 and Department for Work and Pensions, Workless households and educational attainment statutory indicators 2021, updated 19 April 2021.

Box 5: Helping workless families indicators

Indicator	DWP publication (date)	Latest data reported
1. Parental Worklessness a. **The proportion of children living in workless households.** b. **The proportion of children living in long-term workless households.** *Statutory duty to report indicators in bold*	Improving Lives: Helping Workless Families Indicators 2021: Data for 2005 to 2020 (March annually, latest March 2021)	a. December 2020 b. 2019
2. Parental Conflict a. Proportion of child in couple-parent families reporting relationship distress. b. Proportion of children in separated families who saw their non-resident parent at least fortnightly.		a. 2017/18 b. 2015/16 (statistic suspended, but expected to be available again for period 2019/20 in 2022)
3. Poor Parental Mental Health a. Proportion of children living with at least one parent reporting symptoms of emotional distress (UK).		a. 2018/19
4. Parental Drug and Alcohol Dependency a. Number of parents who are opiate users or dependent on alcohol (England). b. Proportion of alcohol dependent or opiate using parents who have entered and completed treatment within the last three years (England).		a. 2017/18 b. 2017/20
5. Problem Debt a. Proportion of all children living in households in persistent problem debt (GB). b. Proportion of all children living in households in problem debt (GB).		a. March 2018 b. March 2018

Indicator	DWP publication (date)	Latest data reported
6. Homelessness a. Households with dependent children living in temporary accommodation per 1,000 households (England).		a. June 2020
7. Early Years a. Proportion of children eligible for free school meals achieving a good level of development on the 'Early Years Foundation Stage Profile' at age 5 (England). b. Attainment gap for 'good level of development' between pupils eligible for free school meals and all other pupils (England).		a. 2019 (not updated for 2020 for pandemic-related reasons) b. 2019 (not updated for 2020 for pandemic-related reasons)
8. Educational Attainment a. Educational attainment at Key Stage 2 (England) b. **Educational attainment at Key Stage 4 (England) for all children and disadvantaged children** c. Disadvantage Attainment Gap Index at Key Stage 2 and 4 (England). *Statutory duty to report indicator in bold*		a. 2018/19 (not updated for 2019/20 for pandemic-related reasons) b. 2019/20 c. 2019/20 (for Key Stage 4)
9. Youth Employment a. Proportion of young people aged 16–24 who are not in education, employment or training (NEET) (UK). b. Proportion of young people age 18 to 24 who have not been in employment or full-time education for two years or more (UK).		a. December 2020 b. 2019

Source: Department for Work and Pensions, Improving Lives: Helping Workless Families Indicators 2021.

44. We asked witnesses whether the worklessness indicators in the Welfare Reform and Work Act 2016 were a useful measure of poverty. Dr Mike Brewer from the Resolution Foundation said that "living in a workless family comes with a very high risk of being in poverty."[81] Helen Barnard from the Joseph Rowntree Foundation agreed that, logically, worklessness would be tracked alongside measures of poverty. But she also said that it was important to track "indicators of the quality of work", recognising that being in a working household did not necessarily mean that children would be free from income poverty (Box 6).[82]

Box 6: Relative income poverty rates by work status (DWP 'Households Below Average Income' statistics, 2019/20)

> **26%** of children in families where one or more adults was in work were in relative income poverty (after housing costs). Because most children live in working households, children in working households account for around **three quarters** of the children in relative income poverty (after housing costs), up from around two thirds in 2012/13.
>
> **6%** of children in couple families where both adults worked full-time were in relative income poverty (after housing costs).
>
> In workless couple families, around **three-quarters (76%)** of children were in relative income poverty (after housing costs), but these families only account for a small proportion of the children in relative income poverty.

Sources: Department for Work and Pensions, HBAI data tables - Tables 4.6ts, 4.7ts and 4.14ts in children-hbai-timeseries-1994/95 - 2019/20-tables, 25 March 2021, accessed August 2021.

45. Baroness Stroud from the Social Metrics Commission summarised the Commission's own analysis from 2020. She told us that there were 3.2 million children in poverty in households where at least one adult works at least part-time, and 1.2 million children in poverty are in workless households.[83] She suggested that an indicator which only targets worklessness risks ignoring the 3.2 million children in poverty whose parents are working, and who may need "solutions to poverty that are framed around the degree of work that a household has."[84]

46. We also asked witnesses for their view on the usefulness of the Government's educational attainment indicator as a measure of poverty. Again, Dr Brewer said that it made sense to use indicators of educational attainment because they were significant predictors of child income poverty in future generations. However, he said that these indicators did not replace the need to measure income-based poverty "right now".[85]

47. The British Association for Early Childhood Education told us that education, early years education in particular, can "improve children's life chances over the longer term" but "it does not address the impacts of poverty in the short term".[86] Helen Barnard from the Joseph Rowntree Foundation saw indicators of educational attainment and indicators of

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81   Q128
82   Q32
83   Q127
84   ibid
85   Q128
86   British Association for Early Childhood Education (CPM0007)

income poverty as separate and complementary. She said that it was important to consider both when developing and measuring a policy response to poverty and educational attainment.[87]

48.   **The Government legislated for the statutory monitoring of worklessness and educational attainment indicators in the Welfare Reform and Work Act 2016. It reports performance against these indicators as part of a wider set of 'Helping Workless Families' indicators. The Government argued that indicators of worklessness and educational attainment directed attention towards the underlying causes of child poverty. Measures of worklessness and educational attainment are certainly useful as part of a wider framework which assesses the causes and consequences of income poverty. But they are not a substitute for measuring poverty. Moreover, we know that most children in income poverty are in working households. We also know that family circumstances and income poverty have a significant impact on educational outcomes.**

49.   *We recommend that the Department for Work and Pensions broadens the scope of its 'Helping workless families indicators' to measure the quantity and quality of work in families and communities, and the quality of family support so that they better address the challenge of in-work poverty and the additional stresses often endured by families in income poverty.*

A single measurement framework

50.   Currently, the key collections of income-related poverty and wider social deprivation statistics managed by DWP, 'Households Below Average Income', 'Income Dynamics' and 'Helping workless families' indicators (including worklessness and educational attainment indicators), are all published separately. Statistics on household income are also published by the Office for National Statistics.[88] There is no consolidated publication or central webpage supported by a clear narrative setting out how all the measures link together. In its recent review, the Office for Statistics Regulation said that the current landscape, for income poverty statistics alone, was "difficult for many to navigate" and that signposting could be improved.[89]

51.   We asked witnesses whether a framework of indicators brought together in a single 'dashboard', with a clear logic for how each indicator is linked, would be useful. We also asked witnesses what indicators should be included in that dashboard. Edward Davies from the Centre for Social Justice supported the idea of a dashboard. He told us that in addition to measures of income poverty he would include "worklessness, educational failure, debt, addiction, and family instability".[90] He said that, while money matters, it was important "to have the broader dashboard looking at this other stuff and the support structures around children."[91]

52.   Dr Kitty Stewart agreed that a dashboard of indicators was a good idea but considered that each indicator needed to be treated separately.[92] In particular, she distinguished between the measurement of income poverty itself and the wider set of indicators, or

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87   Q34
88   Office for National Statistics, Personal and household finances, accessed August 21
89   Office for Statistics Regulation, Review of income-based poverty statistics, May 2021, p12–13
90   Q21 and Q31
91   Q31
92   Q21

social deprivations, relating to dimensions of education, health and physical security. She said that these wider dimensions are clearly important to children's development and things like worklessness should be "part of the strategy to tackle child poverty".[93] But she said that it was "really important that we keep poverty measurement separate and use the language of poverty in the way that we have in the past".[94]

53. **DWP's key collections of income-related poverty and wider social deprivation statistics are all published separately. The Office for National Statistics also publishes separate statistics on household income. There is no consolidated publication and no clear narrative setting out how the measures all link together. The current arrangements are a missed opportunity to develop and present a comprehensive and coherent measurement framework which brings core income-related measures of child poverty alongside a wider set of dimensions or social deprivations reflecting the consequences and causes of that poverty.**

54. *DWP should consolidate its statistical publications on income-related poverty and wider social deprivations to create a single dashboard of indicators of child poverty which logically describe the evidence-based causes and consequences of child poverty. DWP should, in doing so, be careful to keep its core income-related measures of poverty separate from indicators which describe wider social deprivations. DWP should align work on a single dashboard of indicators with household income data publications from the Office for National Statistics.*

The Social Metrics Commission

55. In 2018, and after two years of analysis and discussion, the Social Metrics Commission published its new approach to measuring UK poverty.[95] It brought together the views of 16 commissioners from a range of organisations including the Education Policy Institute, the Institute for Fiscal Studies, the Legatum Institute, and the Joseph Rowntree Foundation. Baroness Stroud described its purpose as being "to build a new consensus around poverty measurement and action in the UK" and to overcome a decade of political and policy debate about "whether and how we should measure poverty".[96] She describes the Commission's approach as providing a "framework"[97] for measuring poverty that targeted improvements in three areas:

   a) Identifying families least able to make ends meet. The Commission's measure attempts to account for:

      i) All material resources, including an assessment of the available liquid assets that families have, not just their incomes.

      ii) The inescapable costs that some families face, which make them more likely than others to experience poverty. These include the extra costs of disability and the costs of childcare as well as housing costs already captured in DWP's measure.

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93   Q32
94   ibid
95   Social Metrics Commission (2018) Social Metrics Commission 2018 report, 17 September 2018
96   Ibid, p4
97   Q117

iii)   Overcrowding in housing and those sleeping rough.

b)   Providing a better understanding of the nature of poverty, by presenting detailed analysis of poverty depth and persistence for those in poverty.

c)   Providing an assessment of "lived experience indicators" that shine a light on the differences in experiences of those living in poverty and those above the poverty line.[98]

56.   In May 2019, DWP announced that it would publish "experimental statistics" based on the Social Metrics Commission measure.[99] Will Quince, then the Minister for Family Support, Housing and Child Maintenance, said that the Social Metrics Commission had made "a compelling case for why we should also look at poverty more broadly".[100] Our predecessor committee commended DWP for its decision to publish these statistics in its 2019 report on the *Welfare Safety Net*.[101]

57.   The Department said that it would publish these experimental statistics in the second half of 2020 and that it would consider "whether and how" the approach "could be developed and improved further".[102] Publication of these statistics was intended to follow the release of DWP's 'Households Below Average Incomes' statistics which the Department said would "continue to be the main measure of poverty in the UK", at least in the short term.[103]

58.   In March 2021, the Secretary of State wrote to us to say that work on the new statistics had been suspended because of the pandemic.[104] She added that her "priority is to improve the quality of our statutory measures before considering any further work on the [Social Metrics Commission] measure specifically."[105] When she appeared before us in July, she said that:

> Until we have come to the conclusion about what strategy we want to take forward, I am not intending any time soon to decide whether we will resume any work on the metrics referred to by the Social Mobility Commission.[106]

59.   Ed Humpherson from the Office for Statistics Regulation told us that the Government's communication of its plans for the new statistics had been "a little bit opaque."[107] In its review of income-based poverty statistics, the Regulator said that producers of statistics "should be open", should not take actions that "might undermine confidence in the independence of the statistics" and should not base decisions on the development of

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98   Social Metrics Commission (2020) Measuring Poverty 2020, accessed July 2021

99   Department for Work and Pensions, New poverty statistics developed to help government target support, 17 May 2019, accessed August 2021

100   ibid

101   Work and Pensions Committee, Twenty-eighth Report of Session 2017–19, The Welfare Safety Net, HC1539, para 19

102   Department for Work and Pensions, New poverty statistics developed to help government target support, 17 May 2019, accessed August 2021

103   ibid

104   Secretary of State for Work and Pensions, Correspondence with the Secretary of State about measuring poverty, 26 March 2021

105   ibid

106   Q6 The Work of the Secretary of State for Work and Pensions, non-inquiry session, 7 July 2021

107   Q119

statistics on "policy need" alone.[108] The review also acknowledged that the Social Metrics Commission's proposed measure "captures many aspects that users would like to see in income-based poverty statistics."[109]

60. **The Social Metrics Commission has proposed a new approach to measuring poverty which has widespread support. It was therefore welcome that the Government announced in 2019 that it would develop supplementary experimental statistics building on the Commission's methodology. But that work seems to have ground to a halt. This was understandable during the first months of the pandemic, when DWP faced an unprecedented volume of claims for Universal Credit. We are, however, concerned that the Secretary of State has no clear plans to resume this work and is yet to decide the strategy the Department will adopt.**

61. *DWP should set out clearly, in response to this report, what work it now plans to do on the development of supplementary experimental statistics using the SMC's methodology and a timescale for completing this work. It should also explain how the Secretary of State's focus on aspects of material deprivation will inform its approach to poverty measurement.*

Multidimensional measures: international evidence

62. We also heard about recent international developments in poverty measurement drawing on 'multidimensional' techniques. Dr Keetie Roelen from the Centre for Social Protection at the Institute of Development Studies said that there had been a shift, internationally, away from narrow reliance on income-based measures towards "more complementary measurements of poverty".[110] She said that these did not replace income measures but brought in a wider set of deprivations including those relating to housing, education and health, and what Dr Roelen referred to as "psychosocial domains… [that are] sometimes seen as a more direct measure of children's lives".[111] A positive from these multidimensional approaches is that they help to identify groups who may not be income poor but who are considered deprived in other respects.[112] Dr José Manuel Roche from the Department of International Development at the University of Oxford also said that by counting the number of deprivations a child suffers, multidimensional approaches can also measure the intensity of deprivation experienced.[113] Dr Roelen gave Mexico as a good example where "multidimensional measures" had been combined with more familiar income poverty measures (Box 7).[114]

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108   Office for Statistics Regulation (2021) Review of income-based poverty statistics, 19 May 2021
109   ibid
110   Q6
111   ibid
112   Q10
113   Ibid and University of Oxford, Oxford Poverty & Human Development Initiative Alkire-Foster Method, accessed July 2021
114   Q10

Box 7: Poverty measurement in Mexico

The Mexican Parliament established an independent body, the National Council for the Evaluation of Social Development Policy (CONEVAL) in 2005. It is an autonomous entity responsible for measuring poverty, including multidimensional poverty, at the federal, state and local levels. The CONEVAL website describes how Mexico has adopted a multidimensional approach to measuring the dimensions of poverty which combines income-based measures and a wider set of social deprivation measures. The Mexican approach defines people in poverty as people who are lacking both monetary resources and social resources such as access to food, health, education, social security and "dignified" housing. The indicators of poverty measured by Mexico are captured in the Figure below:

Indicators of poverty

Income · Education Lag · Access to health services · Access to social security

Access to food · Housing quality and space · Access to basic housing services · Degree of social cohesion

CONEVAL aggregates data across its dimensions of poverty to produce summary measures that can be monitored over time. Mexico categorises people as in poverty if they have an income that is below a "well-being threshold" and are "deprived" in one of the social dimensions. It also identifies people in "extreme poverty" whose income is below a minimum well-being threshold and who experience three or more "social deprivations".

Source: CONEVAL, Multidimensional measurement of poverty in Mexico, an economic wellbeing and social rights approach, accessed July 2021 and Multidimensional Poverty Peer Network, Mexico | MPPN, accessed July 2021.

63.   Multi-dimensional measures of poverty can be aggregated to produce a single index measure of poverty.[115] Dr Roche said that such exercises involve political, policy and technical discussion about which dimensions of poverty to prioritise and can be a means of building consensus with the public if conducted simply and transparently.[116] According to Dr Roche, producing a single index "provides a more complete picture of poverty … which helps to monitor changes over time."[117] He said that a single index also encourages policymakers to think about the interlinkages between different deprivations so that they might have the maximum impact on poverty.[118] But we also heard from Dr Roelen that the way the single index is built up is important. She acknowledged that the risk is that an

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115   Dr José Manuel Roche (CPM0046)
116   Q10
117   Dr José Manuel Roche (CPM0046)
118   ibid

improving index is because policymakers "might have targeted the low-hanging fruits."[119] Dr Roche told us that decisions about the individual components of an index, and how much weight is attributed to each, should therefore be based on agreed policy priorities.[120]

64. To make it easier to interpret changes in the single index measure, Dr Roelen told us that it is common to "break the summary index statistic down into its various components" so that people can see "where progress has been made".[121] Helen Barnard from the Joseph Rowntree Foundation recognised the value of measuring a wider set of dimensions but was, nevertheless, more sceptical about the added value of consolidating these into one measure:

> What it does not make sense to do is take all those things, put them in one bucket, and make them spit out a single number, because they are conceptually different things. We need to measure them separately, because that is the only way you can hold to account what is being done on each of them. If you combine them all, you actually obscure what is happening and make it harder to know, harder to hold to account—and harder to get the credit.[122]

65. **The UK can learn from international approaches to poverty measurement, including from those countries and organisations which have developed multidimensional measurement approaches that bring together measures of income poverty and wider social deprivations. Some multidimensional approaches blend measures of income poverty with wider deprivations to produce a single index. There is a danger that a single index mixes measures of income poverty with factors that may be the consequence or cause of income poverty. This could make it hard to see what is driving changes in the measure and could have the unintended effect of reducing transparency overall.**

66. *DWP should continue to liaise with other countries, universities, and international organisations in developing a single dashboard for reporting income-related measures of poverty and the wider social deprivations on which the Government currently reports.*

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119   Q10
120   ibid
121   Ibid and University of Oxford, Oxford Poverty & Human Development Initiative Alkire-Foster Method, accessed July 2021
122   Q21

4   A strategy for child poverty

Legislative context since 2010

67. The Welfare Reform and Work Act 2016 removed the requirement in the Child Poverty Act 2010 to publish a UK-wide child poverty strategy and the requirement for the Scottish Government and for local authorities to produce child poverty strategies.[123] The UK Government's last child poverty strategy covered the period from 2014 to 2017.[124] In Scotland, the Scottish Parliament has since passed the Child Poverty (Scotland) Act 2017, which requires the Scottish Government to prepare delivery plans to address child poverty targets contained in the same Act.[125]

68. In Wales, the Children and Families (Wales) Measure 2010 requires Welsh Ministers and named public bodies to publish a child poverty strategy and report periodically on progress.[126] The Welsh Government's current Child Poverty Strategy was published in 2015.[127] It published a progress report on this strategy in December 2019 and has recently reported progress against a child poverty income maximisation action plan.[128] In Northern Ireland, and in line with the amended Child Poverty Act 2010, the Executive has retained a Child Poverty Strategy and Action Plan, reporting annually on its progress since 2011/12. Its last report from June covers the financial year 2020/21.[129]

Calls for a strategy

69. In July, the Social Mobility Commission said that in order to address social mobility the most pressing need was "to end child poverty" which it said was "blocking progress across the whole of the UK".[130] In November 2020, Baroness Stroud from the think-tank, the Legatum Institute, said that because there was "no strategy for tackling poverty", the UK Government had been "walking through a major pandemic in the dark".[131] Charlotte Ramsden from the Association of Directors of Children's Services told us that "it feels as if Government Departments are well-meaning but working in silos."[132] In January, Anne Longfield, then Children's Commissioner for England, wrote that "the lack of an overarching long-term plan to reduce child poverty" was "no longer sustainable given the scale of the problem and the long-term impact poverty has on children's wellbeing and life chances."[133]

70. Appearing again before us in May, Baroness Stroud said that as we were starting to come out of the lockdown phases of the pandemic, the time was now right to have "conversations around measurement, strategy, and the goal that we are trying to reach."[134]

123   Welfare Reform and Work Act 2016 (legislation.gov.uk), para 22
124   HM Government (2014) Child Poverty Strategy, June 2014.
125   Child Poverty (Scotland) Act 2017
126   Children and Families (Wales) Measure 2010
127   Welsh Government (2015) Child Poverty Strategy for Wales, March 2015
128   Welsh Government (2019) Child Poverty Strategy: 2019 Progress Report, December 2019 and Welsh Government (2021) Income Maximisation Action Plan, 28 June 2021
129   Northern Ireland Executive, Poverty Policy - Child Poverty Strategy March 2016, accessed August 2021. See also Social Mobility Commission (2021) State of the Nation 2020–21: Social mobility and the pandemic, July 2021, p88
130   Ibid, pXIV
131   Q286 Oral evidence: DWP's response to the coronavirus outbreak, HC178
132   Q100
133   Children's Commissioner (2021) Child Poverty: the crisis we can't keep ignoring, January 2021, p2
134   Q138

The Church of England has said that a "coherent, long-term, cross-party strategy to reduce child poverty" was now needed, as part of what it called a "broader debate about 'levelling up' and how to ensure an equitable recovery from the pandemic."[135]

A cross-government approach

71. The Child Poverty Action Group told us that "a child poverty strategy needs to take a wide, co-ordinated and long-term approach, investing to reduce poverty now, but also to prevent poverty".[136] The Maternal and Child Health Network, an academic network, argued that a strategy cannot sit with DWP alone because the causes and consequences of child poverty "cut across all sectors of government".[137] In its written evidence to us, the Joseph Rowntree Foundation said that:

> A single Department cannot, and should not, be seen as solely responsible for policy on child poverty. Whilst the Department for Work and Pensions has responsibility for social security and employment services, successfully reducing Child Poverty will require action across government.[138]

72. The Minister for Welfare Delivery acknowledged the need for a cross-government approach when he appeared before us in June. He said that the policy changes he was able to make in DWP were limited to increasing benefits and supporting people into work.[139] He added that work was being done "behind the scenes across Government", beyond DWP, to "tackle some of the causes of poverty" which may be "housing… relationship breakdown… health inequality, cost of living, debt, addiction, substance misuse, [and] educational attainment".[140]

73. Witnesses described the vital role of the centre of Government in co-ordinating a cross-government approach. Una Summerson from the disability charity Contact said that any child poverty strategy "must have clear leadership, ideally from No. 10".[141] Anne Longfield agreed that a future child strategy "has to live at the centre" if it is to have a "semblance of joint mission or joint impact."[142] Sophie Howes from the Child Poverty Action Group referred to past UK Government approaches and the approach now taken by the Government in New Zealand. She said that in New Zealand it was the Prime Minister who was responsible for delivering the Child Poverty strategy.[143]

74. But the Minister's recognition of the need for a cross-government response contrasts with what organisations told us was an absence of joined-up policy making across Government, particularly between DWP and the Department for Education. For example:

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135   Rt Revd Paul Butler, Bishop of Durham and Andrew Selous MP (2021, forthcoming) Making the case for a child poverty strategy: a review by the Church of England
136   Child Poverty Action Group (CPM0028)
137   Maternal and Child Health Network (MatCHNet), MRC/CSO Social and Public Health Sciences Unit (CPM0009)
138   Joseph Rowntree Foundation (CPM0019)
139   Q193
140   Ibid.
141   Q102
142   Q154 and Q155
143   Q77

- The British Association for Early Childhood Education, the charity supporting early years practitioners, said that there was "little evidence of joined up working" between DWP and the Department for Education to address child poverty".[144]

- School Food Matters, a charity providing food education programmes in schools, said that the "myriad of children's food interventions" had "not been well-coordinated" between Government departments.[145]

- The Trussell Trust referred to a "lack of initiative to join-up" and said that ambiguity remained over Departmental responsibilities for local welfare assistance, despite some "positive collaboration since the pandemic".[146]

75. When we took evidence from the Secretary of State for Work and Pensions in July, she said that she was chairing a new Inter-Ministerial Group that was developing a cross-government strategy and policies to tackle "aspects of poverty and the cost of living".[147] The Secretary of State said that the Group had been:

> […] looking at a variety of topics, pulling in people from several Departments, but principally BEIS, DCMS and MHCLG—the territorial offices have all been represented as well—in order to look in the whole about how we can work more as a system across government in a holistic way to see what we can do on tackling the cost of living.[148]

76. **We heard strong views that the UK now needs a cross-government strategy for child poverty. We welcome the creation of a new Inter-Ministerial Group to identify practical measures to address the cost of living. But a focus on the cost of living suggests only a partial response to child poverty, ignoring aspects relating to income and earnings and the wider social deprivations linked to poverty. The Government now needs to commit to a comprehensive cross-departmental UK strategy for child poverty.**

77. *The Government should commit to developing and implementing a long-term, cross-departmental strategy to address child poverty now and in the future. This should be informed by findings from the Inter-Ministerial Group on the cost of living and, more broadly, by the latest evidence on the key drivers of poverty.*

The role of child poverty targets

78. The Child Poverty Act 2010 set targets to reduce income-based poverty (Box 8).[149] These legislated targets built on an earlier UK Government target to reduce the number of children living in relative income poverty by half by 2010/11 from a 1998/99 baseline.[150]

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144   British Association for Early Childhood Education (CPM0007)

145   School Food Matters (CPM0014)

146   The Trussell Trust (CPM0045)

147   Q9 The Work of the Secretary of State for Work and Pensions, non-inquiry session, 7 July 2021

148   Q10 The Work of the Secretary of State for Work and Pensions, non-inquiry session, 7 July 2021

149   2010 Child Poverty Act

150   Ibid, section 1 and Department for Work and Pensions and Department for Education (2012) Child Poverty in the UK: The report on the 2010 target, June 2012.

Box 8: Child Poverty Act 2010: Targets to be achieved by March 2021

> **Relative poverty**–less than 10% of children in relative low income (defined as below 60% of the median income).
>
> **Combined low income and material deprivation**–less than 5% of children to live in material deprivation and low income (low income is defined as below 70% of the median).
>
> **Absolute poverty**–less than 5% of children to live in absolute low income (below 60% of an adjusted base amount, with the base year being 2010/11).
>
> **Persistent poverty**–for fewer children to live in relative poverty for long periods of time, with the specific target to be set later.

Source: Child Poverty Act 2010 (legislation.gov.uk)

79.   The Welfare Reform and Work Act 2016 removed these targets.[151] In Scotland, the Scottish Parliament legislated for new targets for child poverty in 2017.[152] Witnesses described the impact of the removal of UK targets for child poverty. The Social Metrics Commission said it was of "little surprise" that the loss of targets from 2016 had reduced the focus on tackling poverty.[153] Edward Davies from the Centre for Social Justice said that the absence of targets meant there was "not anything to push on".[154] The Child Poverty Action Group said that without targets, "very little co-ordinated action to tackle child poverty has taken place".[155]

80.   We asked witnesses what difference UK child poverty targets had made while they were in place. Most referred to the earlier target to reduce child poverty by half by 2010/11.[156] Dr Mike Brewer from the Resolution Foundation said that the past child poverty target had helped to focus minds. But he said that while income-based policies had reduced child poverty, "rather less was done to help children more broadly because targets did not exist in those areas."[157] Dr Kittie Stewart from the Centre for Analysis of Social Exclusion at the London School of Economics and Political Science also told us that "targets can potentially create distorting effects" and that the focus in the 2010/11 target on a 'before housing costs' measure may have altered the policy emphasis.[158] She said that it was therefore important to counter the risk of distortion by having "a broad set of targets."[159]

81.   Bruce Adamson, Children and Young People's Commissioner for Scotland, said that having child poverty targets in legislation in Scotland had changed the Scottish approach to child poverty.[160] He also said that there was "a real consensus in Scotland" and that this

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151   Welfare Reform and Work Act 2016

152   Child Poverty (Scotland) Act 2017

153   Social Metrics Commission (CPM0010)

154   Q19

155   Child Poverty Action Group (CPM0028)

156   See also Department for Work and Pensions and Department for Education (2012) Child Poverty in the UK: The report on the 2010 target, June 2012.

157   Q133

158   Q19

159   ibid

160   Q154

was "an important starting point."[161] Nevertheless, he conceded that the interim targets set for 2023 in Scotland "now look very unlikely to be met".[162] In its latest progress report, the Scottish Poverty and Inequality Commission has said that:

> Unless very significant further action is taken now, the Scottish Government is going to miss the interim and final targets by a long way, leaving children and families locked into poverty. The targets can be met, but the Scottish Government must deliver action at a much greater scale and pace, and with significantly higher levels of investment, if it is to do so.[163]

82. Helen Barnard from the Joseph Rowntree Foundation told us that she saw the benefits of having a published target to hold the Government to account. But she was less persuaded of the benefits of putting that target into legislation. She said that what mattered was "whether the Government of the day has the political will" to achieve the target, "not whether it is in law".[164] Robert Joyce from the Institute for Fiscal Studies was even less persuaded by the need for a target, saying:

> For me the master variable is: do you have a clear strategy? I should say that up front and I have a less absolute view on whether you should have a numerical target.[165]

He added that the experience of the 2010/11 target was that, as the 'target date' got closer, "the pressure to just throw more money at the problem through the benefit system became more and more overwhelming because there were fewer and fewer other tools available to make a difference at such short notice".[166]

83. **Past income-based targets for child poverty have helped to focus minds across Government. But, like all targets, they can 'distort' the policy response, and some witnesses believed that this happened in the final years of the 2010/11 child poverty target as the emphasis shifted towards income transfers. To counter this risk, it is important to have a broad set of targets covering income and other policy measures. The Government must also be committed to reducing child poverty, with a clear strategy which is supported by measurable objectives and strong delivery plans.**

84. *As part of a new cross-departmental strategy, the Government should set clear, ambitious and measurable objectives and plans for reducing child poverty. The Government should report to Parliament annually on progress in implementing its child poverty objectives and plans.*

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161   ibid

162   ibid

163   Poverty and Inequality Commission (2021) Child Poverty Delivery Plan progress 2020–2021: Scrutiny by the Poverty and Inequality Commission, May 2021.

164   Q19

165   Q134

166   ibid

5   The quality, timeliness and completeness of child poverty data

85. Good quality data is essential if the Government is to measure child poverty, understood in financial terms, accurately. It is also essential to assess the impact of its policy response on children and their families. DWP has access to data from its household surveys, including the Family Resources Survey, and from individual administrative records which it and other government departments hold. We heard evidence that the quality, timeliness and completeness of data to support poverty measurement, strategy development and policy implementation could be improved.

Using administrative data to improve timeliness

86. DWP's data on 'Households Below Average Income' is subject to a 12-month delay before it is made available to users. This reflects the time it takes to check Family Resources Survey data and process the results. The delay means that Government and other users of these statistics cannot draw on them in real time to support policymaking. Dr Mike Brewer from the Resolution Foundation told us that this delay was a "real problem" and that it "does seem surprising nowadays, particularly through the crisis where we have seen people commission online surveys and get results one or two weeks later."[167] The Minister for Welfare Delivery acknowledged that the delay in producing data prevents DWP "from accurately understanding levels of poverty in the UK in real time", and that "the timeliness of these statistics is definitely an area that [DWP is] exploring, particularly in the wake of the pandemic."[168]

87. Baroness Stroud told us that DWP was in an excellent position to use the administrative data it collects with HM Revenue and Customs (HMRC) to produce a real-time 'poverty dashboard' to supplement survey data. She said that "ironically, they have the best access to all the data of anybody who is in poverty now".[169] She added that a real-time dashboard would "hugely help Ministers and policymakers adjust policy when going through a major crisis like we have just been through".[170] Dr Brewer agreed and referred to the Office for National Statistics' developing work on 'faster indicators of economic activity' as a good practice example and something that DWP could emulate that "would be feasible and very useful".[171] The Office for National Statistics' faster indicators are constructed from "administrative datasets" to provide "closer-to-real-time" information to support policy-makers.[172]

88. The Resolution Foundation has suggested that greater use of administrative data would also help to overcome gaps in survey income data collected from households towards the bottom of the income distribution.[173] The Office for Statistics Regulation has recommended that DWP and the Office for National Statistics should consider further

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167   Q122
168   Q170
169   Q123
170   ibid
171   Q125
172   Office for National Statistics, Economic activity: faster indicators, UK, 11 February 2021, accessed August 2021; Office for National Statistics Data Science Campus, Faster economic indicators from big data, 2019
173   Resolution Foundation, Improving our understanding of UK poverty will require better data, 6 January 2021, accessed June 2021

opportunities to use government administrative data on benefits, taxes and earnings to address the timeliness of poverty data.[174] The Minister for Welfare Delivery said that greater use of administrative data was "absolutely the direction of travel" for the Department.[175]

89.   **The pandemic has brought into sharp relief the delay in publishing poverty data through DWP's 'Households Below Average Income' statistics. DWP and HMRC have a wealth of administrative data on benefits, tax and earnings. DWP can make better use of these to produce 'closer to real-time' information on child income poverty to support its strategy. This 'lead' data would supplement the data gathered through household surveys. Its publication will help DWP to account for its performance in addressing child poverty.**

90.   *Working with HMRC and other UK producers of income statistics, DWP should develop a dashboard of child income-related poverty 'lead' indicators which are closer to real time and supplement existing survey data sources. DWP should publish this data as part of its child poverty measurement framework.*

Measuring the impact of the pandemic

91.   The time lag in producing the 'Households Below Average Income' statistics means that we cannot yet use these data to assess the impact of the pandemic on child income poverty. 'Households Below Average Income' statistics covering the period to March 2021 will not be published until March 2022. To date, DWP has not published any additional, dedicated, research or analysis on the impact of the pandemic on children and families in low income. The Minister for Welfare Delivery told us in September that DWP is working with the Office for National Statistics and the Department of Health and Social Care to assess the "equity impacts" of the pandemic. The Minister told us that DWP was linking data on personal and household characteristics with information on health and labour market outcomes over the period 2021–23.[176]

92.   Other organisations and academics have estimated the impact of the pandemic on children and child poverty. The Legatum Institute, whose Chief Executive is Baroness Stroud, Chair of the Social Metrics Commission, undertook modelling in November 2020 which forecast that "between 30,000 and 120,000 more children were in households in poverty in Winter 2020 than would have been the case if Covid-19 had not occurred".[177]

93.   In March 2021, the Resolution Foundation concluded that lower income families had "borne the brunt of the crisis":

> […] in September 2020, over one-in-three (36 per cent) low income households with children had increased their spending during the pandemic, compared to around one-in-six (18 per cent) who reduced spending. Among high-income households without children, 13 per cent had increased their spending, compared to 40 per cent who have reduced it.[178]

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174   Office for Statistics Regulation, Review of income-based poverty statistics, May 2021, p28

175   Q171

176   Correspondence with the Minister for Welfare Delivery on the Children in poverty: Measurement and targets inquiry, following up on evidence given on 23 June 2021, 3 September 2021

177   Legatum Institute (2021) Report on children in poverty: Ideas to tackle the underlying or systematic causes of child poverty, 8 April 2021.

178   Resolution Foundation (2021) The 12-month stretch, March 2021

In July, the Institute for Fiscal Studies published its annual report on living standards in the UK. Its analysis shows that people who were in income poverty before the pandemic have been worst affected by it:

> […] trends in deprivation were markedly different between those in income poverty and those not in income poverty prior to the pandemic. Indeed, the experience of those in poverty pre-pandemic drives the overall figures, with the indicators changing comparatively little for higher-income households …[179]

94.   Peter Tutton from the debt charity StepChange told us that the "groups that particularly seem to be hard hit include parents with children over five and single parents".[180] He said that "the number of people negatively affected peaked quite early on" but that there was "intense hardship" for some families who had "exhausted their other forms of coping".[181] In its written evidence, the charity Save the Children referred to published research conducted by the National Foundation for Educational Research which had shown that disadvantaged Year 2 pupils were seven-months behind their better off peers following pandemic-related school closures.[182] The pandemic has provided further evidence of what Save the Children described as the "significant relationship between poverty and young children's early learning outcomes."[183] Meanwhile, Yasmin Rehman from Juno Women's Aid also described some of the wider impacts of the pandemic on family life:

> We run the local domestic and sexual violence helpline for Nottinghamshire and looking at data from 2019 to 2020 and then 2020 to 2021 we have seen a 58% increase in numbers of calls to our helpline and that is across all age groups.[184]

95.   We heard evidence that food bank use had increased dramatically during the early phases of the pandemic. Sabine Goodwin from the Independent Food Aid Network told us that her organisation had seen a 123% increase in emergency food parcels issued in November 2020 compared with the same time the year before.[185] Data from the Trussell Trust also show a big increase, with 2.5 million emergency food parcels issued in the year to March 2021, a third more than the year before.[186] There is some evidence from the Institute for Fiscal Studies' work that the volume of people using foodbanks had started to reduce from the end of last year, but this overall trend may still hide increasing reliance for some groups.[187]

96.   **The 12-month delay in producing income poverty statistics means that DWP data on the proportion of children in low income for the year to March 2021 will not be published until March 2022. We were encouraged to hear that DWP is working with the Department of Health and Social Care and the Office for National Statistics to understand better the impact of the pandemic on family outcomes. Lessons from this exercise might also help DWP in its approach to modelling the impact of future changes**

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179   Institute for Fiscal Studies, Living Standards, poverty and inequality in the UK: 2021, July 2021, p74
180   Q109
181   ibid
182   Save the Children UK (CPM0021)
183   ibid
184   Q60
185   Q109
186   Trussell Trust, Record 2.5 million food parcels distributed last year, 22 April 2021, accessed June 2021.
187   Institute for Fiscal Studies, Living Standards, poverty and inequality in the UK: 2021, July 2021, p72

to social security on health and well-being. It is, nevertheless, surprising that DWP has not published any more research or analysis on the impact of the pandemic on children and families in low incomes, bearing in mind its responsibilities for poverty. This seems especially important in the light of evidence from other sources, including witnesses to our inquiry, that the pandemic has particularly affected families and children towards the bottom of the income distribution who were already vulnerable before covid-19 struck.

97.   *DWP should commission research examining, in depth, the impacts of the pandemic on children living in families in low income. It should publish the results of this analysis alongside its March 2022 Households Below Average Income statistics. DWP should also publish early findings from its longer-term project with the Department of Health and Social Care and the Office for National Statistics to understand the differential impacts of the pandemic. DWP should use the lessons from its exercise with the Department of Health and Social Care to inform how it might better estimate the health and well-being impacts of future changes to social security affecting children and families.*

Sharing DWP administrative data

98.   We also heard that DWP has been slow to share its administrative data with academics and local authorities for analytical and operational purposes. We received written evidence from Administrative Data UK, a partnership involving academics, the Office for National Statistics and others to promote the linking and use of government administrative data. In its submission, Administrative Data UK indicated that it had had protracted discussions with DWP around use of its administrative data to support analysis of child poverty:

> ADR UK is currently working closely with the Department for Education [DfE] to link its data with that of other Government Departments and enable greater secure access to it for accredited researchers working on projects in the public interest, including in relation to child poverty. We are also in long-running discussions with the Department for Work and Pensions about enabling access to data, though there have been some barriers to accessing DWP data in contrast to that held by DfE.[188]

99.   We asked the Minister for Welfare Delivery about DWP's work with Administrative Data UK in our hearing with him in June. He agreed to write to us after the hearing and his reply from September suggests some recent progress. The Minister said that:

> We are aware of the challenges ADR UK have faced. We have worked closely with ADR UK, and have agreed that linked data from the Longitudinal Educational Outcomes dataset … should be made available for broader research, and the first projects using that have now started.[189]

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188   ADR UK (Administrative Data Research UK) ([CPM0042](CPM0042))

189   Correspondence with the Minister for Welfare Delivery on the Children in poverty: Measurement and targets inquiry, following up on evidence given on 23 June 2021, 3 September 2021

The Minister for Welfare Delivery also told us that DWP was supporting the Office for National Statistics' 'Integrated Data Programme', a programme which aims to make more linked data sets from across government and other organisations accessible for research and analysis.[190]

100. In our October 2020 report, *Universal Credit: the wait for a first payment*, we referred to concerns from local authorities and others that DWP was not sharing enough of its Universal Credit data and noted that this was having "a detrimental effect on their ability to support vulnerable claimants."[191] We urged DWP to consider applying an implicit consent approach to data sharing. In its response to us, DWP said that it had "agreed to explore options for improving the process of explicit consent".[192] In evidence to us in May, Will Tuckley from the London Borough of Tower Hamlets said that DWP was still not doing enough to provide councils with the Universal Credit data they need to give early debt advice and prevent homelessness.[193]

101. The Minister for Welfare Delivery told us in June that DWP had "established a project" to explore how local authority data requests might be fulfilled and offered to write to us with more information.[194] In his letter, the Minister for Welfare Delivery told us that this new project would "conduct more detailed research into the possibility of making improvements to existing data shares".[195] The Minister also updated us on DWP's work to improve the explicit consent process in Universal Credit. He said that this had been postponed because of the pandemic but that work had now restarted "with the intention of delivering an explicit consent process this year."[196]

102. **DWP has valuable administrative data that can be used to improve understanding of child poverty and support a better response to it. To make the best use of this resource, DWP will need to collaborate with others in Government, local authorities and academics. However, we have heard significant concerns from local authorities and from some academics about the Department's preparedness to share data. We are encouraged by its recent progress in some areas but believe DWP could be more open and constructive in its approach.**

103. *DWP should liaise with other government departments to identify lessons for how it might take a more constructive approach to sharing data related to child poverty. DWP should write to us by June 2022 updating us on its progress (a) in working with the Office for National Statistics, Administrative Data UK and other government departments to develop new data matching and analysis programmes to understand better the causes and consequences of child income poverty; and (b) in addressing local authority concerns about the sharing of Universal Credit administrative data.*

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190   Ibid and Office for National Statistics, How the ONS is helping to deliver the National Data Strategy, 2 June 2021, accessed 3 September 2021

191   Work and Pensions Committee, Third Report of Session 2019–21, Universal Credit: the wait for a first payment, HC204, para.145

192   Government response to the Committee's Third Report of Session 2019–21, Universal Credit: the wait for a first payment, Rec. 18 at: Universal Credit: the wait for a first payment: Government Response

193   Q98

194   Q185

195   Correspondence with the Minister for Welfare Delivery on the Children in poverty: Measurement and targets inquiry, following up on evidence given on 23 June 2021, 3 September 2021

196   ibid

Integrating household surveys

104. Household surveys are an important tool for governments, providing invaluable data. But they can be expensive and time-consuming to carry out. It is therefore important that they are carefully co-ordinated to maximise their efficiency and accuracy. As well as DWP's Family Resources Survey, the Office for National Statistics conducts its own analysis and surveys of income, wealth, and expenditure.[197] In its review of poverty statistics, the Office for Statistics Regulation said that DWP and the Office for National Statistics could do more to integrate their income survey work to make the results more robust and to improve the clarity of reporting.[198]

105. DWP told us that it was working closely with the Office for National Statistics to align statistical analysis on income poverty and inequality.[199] A new Government Statistical Service 'Income and Earnings Coherence Steering Group' has been formed to co-ordinate existing work and pursue new projects. This involves statisticians from the Office for National Statistics, HM Revenue and Customs, DWP, the devolved governments and academia.[200]

106. **DWP and the Office for National Statistics both have survey and statistical research projects on income. There is a risk that these overlap, reducing the quality of the overall data collected and contributing to reduced clarity in Government reporting of poverty data.**

107. *DWP should work with other UK producers of income statistics to co-ordinate the current suite of survey and data analysis to strengthen the breadth and depth of work and improve reporting clarity. DWP should write to us by March 2022 setting out the additional steps it has taken to integrate surveys to maximise their efficiency and reach.*

Gaps in data on disability costs and debt repayments

108. DWP's Family Resources Survey does not provide full data on disability costs, despite their significance for some families.[201] In its review of income-based poverty statistics, the Office for Statistics Regulation said that the current lack of reliable data on certain inescapable costs, including disability, was "a significant barrier" to improving poverty measurement and understanding.[202]

109. The lack of data on the costs of disability means that DWP's headline measure of children in low income gives a distorted account of poverty rates for children in households receiving disability benefits. The measure includes any additional disability benefits paid to households but excludes the additional costs associated with disability, making households where someone has a disability and in receipt of disabled benefits appear to be better off than they really are. The disability charity Contact told us that it costs up to three times as much to raise a disabled child as a non-disabled child.[203] We also know from supplementary tables in DWP's 'Households Below Average Income'

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197   Office for National Statistics, Personal and household finances, accessed 23 August 2021

198   Office for Statistics Regulation, Review of income-based poverty statistics, 19 May 2021, p23

199   Q175

200   Government Statistical Service, Improving the coherence of GSS Income and Earnings Statistics, 14 July 2021

201   Work and Pensions Committee, Twenty-eighth Report of Session 2017–19, The Welfare Safety Net, HC1539, para 13

202   Office for Statistics Regulation, Review of income-based poverty statistics, May 2021, p24

203   Scope, Family Fund, Contact (CPM0012)

statistics that payment of disability benefits for families with a disabled member makes a significant difference to poverty rates. The relative poverty rate (after housing costs) for children in families in receipt of disability benefits where someone is disabled is half the rate for children in households where someone is disabled and the family receives no disability benefits.[204]

110. In its work to improve the measurement of poverty, the Social Metrics Commission has attempted to include more data on the "inescapable costs" that families experience.[205] Baroness Stroud from the Commission described its temporary approach to disability costs:

> […] in the [DWP] households below average income [statistics,] disability benefits are credited to a household as income and therefore they are not considered to be in poverty. We felt that that needed to be offset by the costs [of disability] and therefore as a working model we basically just said that the benefits are given to cover costs, therefore they will be deducted as costs. We felt that was a reasonable holding position until the Government could come forward with the actual costs of disability.[206]

111. The Social Metrics Commission accepts that its approach is not perfect because any change in Government disability benefit support will not be captured by its metric.[207] For Dr Kitty Stewart from the Centre for Analysis of Social Exclusion, this weakness "is also an example of why we need to be wary of messing around too much with the [existing] income measures, because it can make things a bit less transparent in terms of what is happening."[208]

112. Data on debt are also limited. DWP's Family Resources Survey does not collect full data on debt repayment obligations, which means that they cannot be deducted from income when calculating child poverty rates. Our predecessor committee was concerned that debt repayments contribute to "a spiral of poverty … from which it is difficult to escape", and argued that they ought therefore to be included in measures of poverty.[209] The previous committee recommended that questions on debt should be added to the Family Resources Survey.[210] In its response, the Government said that it was keeping the idea of additional questions under review.[211] We asked the Minister for Welfare Delivery and his officials in June about the Department's progress in adding questions on family debt into its survey. The Minister told us that he recognised the value of asking questions on debt and said that he would support adding debt questions into the Family Resources Survey "at the earliest possible opportunity".[212]

113. **Gaps in data on inescapable costs that households face, including those associated with disability and debt, reduce the accuracy of data about who is in poverty. The**

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204   Department for Work and Pensions, HBAI Directory of Tables, 25 March 2021, Table 4.19ts

205   Social Metrics Commission (2018) A new measure of poverty for the UK, September 2018, p6

206   Q123

207   Social Metrics Commission, Notice: Methodology update 2019, July 2019, p6

208   Q44

209   Work and Pensions Committee, Twenty-eighth Report of Session 2017–19, The Welfare Safety Net, HC1539, para 32.

210   ibid

211   Government response to the Committee's Twenty-Eighth Report of Session 2017–19, Welfare Safety Net, Rec. 3 at: Government-Response-WPSC-Welfare-Safety-Net.docx-003.pdf (parliament.uk)

212   Q181

Social Metrics Commission has shown leadership in highlighting these matters but is reliant on Government data. Making progress on addressing these gaps will require significant commitment from DWP, working with other departments.

114. *To improve its measurement of income-related poverty, DWP should work with others, including the Office for National Statistics, relevant academics, and children's charities to identify a list of inescapable household costs and define options for how data on these might be collected. DWP should write to us by June 2022 setting out the additional costs it intends to capture and the methods it proposes to use.*

Gaps in ethnicity data

115. We know that children in some ethnic minority households are more than twice as likely to be in income poverty than children overall.[213] But the level of detailed data on children in different ethnic groups can be limited by small survey sample sizes. The Office for Statistics Regulation has said that DWP needs to do more to address the ethnicity 'data gap'.[214] The Minister for Welfare Delivery told us that the Department will be collecting more data on income poverty and referred us to the planned doubling of the Family Resources Survey, from 20,000 to 45,000 households sampled.[215] Elaine Squires from the Department said that the larger sample would permit it to do more subgroup analysis of child poverty, and that this would include analysis by individual ethnic groups.[216]

116. **Gaps in the analysis of income poverty for different ethnic groups caused by small survey samples reduces our understanding of poverty and solutions to it. We therefore welcome DWP's recent decision to increase the sample size of its Family Resources Survey which will strengthen the analysis of poverty for different groups.**

117. *DWP should write to us by June 2022 setting out precisely what additional subgroup analysis, including analysis of ethnic minority households, it expects to be able to conduct as a result of the increase in the sample size for its Family Resources Survey.*

Gaps in data on children in families with no recourse to public funds

118. Non-UK nationals are required to obtain leave to enter or remain in the UK, unless they have the right of abode or are exempt from immigration control. When leave to enter or remain is granted, conditions may be imposed relating to employment and access to public funds. Often families will have a 'no recourse to public funds' condition imposed which means they will not be able to access most social security benefits and housing assistance.[217] Certain other categories of migrant, such as people without a valid immigration status, are also ineligible for welfare benefits.[218]

213   Department for Work and Pensions, HBAI Data Tables, 25 March 2021, Table 4.5db. Also see: Dr Daniel Edmiston and Siddharth Thakkar, University of Leeds (CPM0027) and Omar Khan, Understanding and responding to ethnic minority child poverty, 11 June 2020, CPAG, accessed July 2021

214   Office for Statistics Regulation, Review of income-based poverty statistics, May 2021, p20

215   Q202

216   Q204

217   No Recourse to Public Funds Network, Immigration status and entitlements, How immigration status affects eligibility for public funds and other services, accessed 19 August 2021

218   House of Commons Library Briefing Paper, CBP8888 Coronavirus calls to ease No Recourse to Public Funds conditions, 27 April 2020

119. Data on poverty for children in families with no recourse to public funds is scarce. Donna Ward from DWP told us that the Department picks up very few such families in its sampling for the Family Resources Survey.[219] By definition, the Department does not hold significant administrative data on these children because they and the adults who care for them cannot access its welfare benefits and services.[220] Ed Humpherson from the Office for Statistics Regulation told us that the gap across Government in data on families with no recourse to public funds was "significant" and the regulator wanted to see more joint work to pull together the information that was available to address a "very important gap".[221]

120. Bruce Adamson, the Children and Young People's Commissioner for Scotland, told us that he was "really concerned" about children in families with no recourse to public funds and other groups of children who, he said, had been "disproportionately impacted" by the pandemic.[222] He said that "not enough is being done" to identify and support these families and their children.[223] Anne Longfield, Children's campaigner and former Children's Commissioner for England, referred to what she called a "data issue" and a "response issue" for children in families with no recourse to public funds that, she said, was "chilling for anyone in that situation."[224] Will Tuckley from the London Borough of Tower Hamlets said that the pandemic had brought the matter to the fore as families with no recourse to public funds who previously had not been known to the council had approached it for support for the first time.[225]

121. **Income poverty data on children whose parents have no recourse to public funds is limited. DWP's Family Resources Survey picks up very small numbers of these children and the Department does not collect significant administrative data on them because their parents are not normally entitled to its benefits and services. This blind-spot in DWP's understanding of children in poverty is not sustainable. As a Department with responsibility for poverty and disadvantage it falls to DWP to conduct research and analysis for all of society, including for children of families with no recourse to public funds. We expect to return to this issue later in 2021.**

122. *We recommend that DWP works with the Office for National Statistics to produce robust income-related poverty and income data on children and their families with no recourse to public funds. DWP should write to us by June 2022 to give an update on its progress in addressing this unsustainable gap.*

Local data on child poverty

123. Local level data on child income poverty is important to governments, local authorities and other public bodies when planning the delivery of their services. But gathering sufficient data through DWP's Family Resources Survey to enable robust local estimates of child income poverty is a challenge. DWP told us in its written evidence that the increase in the size of the Family Resources Survey will improve regional child poverty estimates.[226]

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219   Q206
220   ibid
221   Q142
222   Q148
223   ibid
224   Q149
225   Q99
226   Department for Work and Pensions (CPM0037)

But the increase will not be enough to enable the Department to measure local child poverty rates accurately using survey data alone. DWP has instead worked with HMRC to combine benefits and child tax credits administrative data with survey data to estimate child poverty rates at local authority and ward level through its children in low-income families local area statistics.[227] This local analysis is useful, but it does not factor in the cost of housing. Gavin Mullin from Cambridgeshire County Council reminded us that housing costs can vary considerably over small areas. He explained:

> Cambridgeshire is quite a diverse area and if we look at a difference from the more affluent areas to the more deprived areas, the difference in housing costs more than offsets the difference in income for a lot of families. You get families who might be earning more money, but because their housing costs are so much higher they have less disposable income and more financial issues.[228]

124. For Will Tuckley from the London Borough of Tower Hamlets, housing costs are "a crucial element of this wider equation".[229] Ben Beadle, Chief Executive of National Residential Landlords, told us in June that he was pleased to see that the Local Housing Allowance, used for assessing how much people can claim in Housing Benefit or Universal Credit, had returned to the 30th percentile.[230] But he said that "the fact of the matter is [that for] a significant proportion of those people who are in receipt of Housing Benefit or Local Housing Allowance, it does not meet their housing costs and that poses real challenges to landlords and tenants alike."[231] Paul Sylvester from Bristol City Council also told us that while Bristol was an economically buoyant city, "housing affordability is a critical issue".[232] Donna Ward from DWP told us that there was no administrative data source that could provide equivalent, individual family-level, data on housing costs.[233] The Centre for Research in Social Policy at Loughborough University has 'side-stepped' the lack of data by combining DWP's children in low income families local area statistics with local authority-level information on rents and house prices. This has enabled the Centre to produce modelled local estimates of the proportion of children in relative income poverty after housing costs.[234]

125. **Local level data on child income poverty is important to enable national and local governments to plan their services. DWP's recent work with HMRC to produce local area estimates of children in low income families is welcome, but its usefulness is reduced because the estimates do not include housing costs. For most families with children, housing costs take up a significant portion of their monthly budget, especially in the south of England and in coastal areas. Without good quality data about those costs it is impossible to gain a full picture of a family's circumstances, but DWP told us**

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227   Department for Work and Pensions, Children in low income families: local area statistics 2014 to 2020, 25 March 2021

228   Q79

229   Q93

230   Q2 Local Housing Allowance and housing supply, 9 June 2021

231   ibid

232   ibid

233   Q188

234   Hirsch, D and Stone, J (2021) Local indicators of child poverty after housing costs, 2019/20, May 2021, Centre for Research in Social Policy, Loughborough University and End Child Poverty Coalition

that there is a lack of individual-level data on housing costs. The Centre for Research in Social Policy at Loughborough University has, however, been able to use the housing data that is available to model local rates after housing costs.

126. *We recommend that DWP works with external academics, local authorities and other government departments to identify options for reflecting the cost of housing in its local area estimates of children in low income families. DWP should write to us by June 2022 to update us on its analysis of options.*

Conclusions and recommendations

Introduction

1. The Office for Statistics Regulation has recently made recommendations for improving income-based poverty statistics. DWP has said that it is considering its response to these recommendations, working with others in Government. (Paragraph 10)

2. *We recommend that DWP publishes a detailed and full response to all the recommendations made by the Office for Statistics Regulation in its review of income-based poverty statistics by March 2022.* (Paragraph 11)

Defining child poverty, identifying its causes and consequences

3. Poverty is at least partly about a lack of material resources, and most people consider income to be a core measure of poverty. But definitions of poverty cannot be entirely divorced from the society in which people live. A 'poverty line' should relate to the normal expectations of, and the cost of living and participating in, that society. Making a decision about where to draw that line is, however, a matter of judgment. These decisions should nevertheless be informed by what the evidence tells us about the impact of being below that line. (Paragraph 28)

4. We heard compelling evidence describing why a lack of material resources in childhood matters and the impact it has on child development and their future outcomes. But defining poverty in income terms does not mean that the Government's response to poverty should neglect the underlying causes of it. A holistic approach to child poverty should target the income poverty itself and the factors that lead to it or are made worse by it. (Paragraph 29)

5. DWP's analysis of the drivers of child income poverty from 2014 concluded that a key factor was the quantity and quality of paid work in families. Since this analysis, the labour market has continued to evolve and more children in income poverty are now in working families. We have seen the disruption caused by the pandemic and there has been a further decoupling of social security from the cost of living. We think the time is now right for the Department to revisit its analysis. (Paragraph 30)

6. *We recommend that DWP should commission a systematic review of the latest evidence on child income poverty, its definitions, its causes and its consequences. It should use this review to prompt a better dialogue with the public, charities and others, and inform future cross-government work on measures to address child poverty. The findings from this review should be published by July 2022.* (Paragraph 31)

Measuring child poverty

7. Poverty measurement is important because it involves translating abstract concepts and definitions into very concrete expressions of who is poor and who needs extra help. Backed by a legal obligation to do so, the UK Government measures and reports

child poverty through a suite of income-based indicators which enable consistent tracking over time. DWP plays a valuable role in overseeing this measurement work. (Paragraph 40)

8. Ministers have made clear to us that they consider absolute income poverty to be the most useful measure. They have been dismissive of the Government's own measure of relative income poverty. But both measures have advantages and disadvantages. The Secretary of State is of course right to say that a relative measure can, in the short term, produce counter-intuitive results—but it has great value for assessing long term trends. We are concerned to see Ministers focusing on a single measure, rather than drawing on the rich information offered by DWP's own set of income-based measures, which combines relative, 'absolute' and broader material deprivation statistics. (Paragraph 41)

9. *Ministers should reaffirm their commitment to measuring poverty through all four measures of children in low income as set out in the Welfare Reform and Work Act 2016. To keep these poverty measures aligned with what is considered normal or essential today, DWP should review the appropriateness of the base year used in the Government's 'absolute low income' measure and the relevance of questions asked about goods and services in its 'low income and material deprivation' measure. DWP should ensure that improvements to the four income-based measures are made in line with the UK Statistics Authority Code of Practice for Statistics.* (Paragraph 42)

10. The Government legislated for the statutory monitoring of worklessness and educational attainment indicators in the Welfare Reform and Work Act 2016. It reports performance against these indicators as part of a wider set of 'Helping Workless Families' indicators. The Government argued that indicators of worklessness and educational attainment directed attention towards the underlying causes of child poverty. Measures of worklessness and educational attainment are certainly useful as part of a wider framework which assesses the causes and consequences of income poverty. But they are not a substitute for measuring poverty. Moreover, we know that most children in income poverty are in working households. We also know that family circumstances and income poverty have a significant impact on educational outcomes. (Paragraph 48)

11. *We recommend that the Department for Work and Pensions broadens the scope of its 'Helping workless families indicators' to measure the quantity and quality of work in families and communities, and the quality of family support so that they better address the challenge of in-work poverty and the additional stresses often endured by families in income poverty.* (Paragraph 49)

12. DWP's key collections of income-related poverty and wider social deprivation statistics are all published separately. The Office for National Statistics also publishes separate statistics on household income. There is no consolidated publication and no clear narrative setting out how the measures all link together. The current arrangements are a missed opportunity to develop and present a comprehensive and coherent measurement framework which brings core income-related measures of child poverty alongside a wider set of dimensions or social deprivations reflecting the consequences and causes of that poverty. (Paragraph 53)

13. *DWP should consolidate its statistical publications on income-related poverty and wider social deprivations to create a single dashboard of indicators of child poverty which logically describe the evidence-based causes and consequences of child poverty. DWP should, in doing so, be careful to keep its core income-related measures of poverty separate from indicators which describe wider social deprivations. DWP should align work on a single dashboard of indicators with household income data publications from the Office for National Statistics.* (Paragraph 54)

14. The Social Metrics Commission has proposed a new approach to measuring poverty which has widespread support. It was therefore welcome that the Government announced in 2019 that it would develop supplementary experimental statistics building on the Commission's methodology. But that work seems to have ground to a halt. This was understandable during the first months of the pandemic, when DWP faced an unprecedented volume of claims for Universal Credit. We are, however, concerned that the Secretary of State has no clear plans to resume this work and is yet to decide the strategy the Department will adopt. (Paragraph 60)

15. *DWP should set out clearly, in response to this report, what work it now plans to do on the development of supplementary experimental statistics using the SMC's methodology and a timescale for completing this work. It should also explain how the Secretary of State's focus on aspects of material deprivation will inform its approach to poverty measurement.* (Paragraph 61)

16. The UK can learn from international approaches to poverty measurement, including from those countries and organisations which have developed multidimensional measurement approaches that bring together measures of income poverty and wider social deprivations. Some multidimensional approaches blend measures of income poverty with wider deprivations to produce a single index. There is a danger that a single index mixes measures of income poverty with factors that may be the consequence or cause of income poverty. This could make it hard to see what is driving changes in the measure and could have the unintended effect of reducing transparency overall. (Paragraph 65)

17. *DWP should continue to liaise with other countries, universities, and international organisations in developing a single dashboard for reporting income-related measures of poverty and the wider social deprivations on which the Government currently reports.* (Paragraph 66)

A strategy for child poverty

18. We heard strong views that the UK now needs a cross-government strategy for child poverty. We welcome the creation of a new Inter-Ministerial Group to identify practical measures to address the cost of living. But a focus on the cost of living suggests only a partial response to child poverty, ignoring aspects relating to income and earnings and the wider social deprivations linked to poverty. The Government now needs to commit to a comprehensive cross-departmental UK strategy for child poverty. (Paragraph 76)

19. *The Government should commit to developing and implementing a long-term, cross-departmental strategy to address child poverty now and in the future. This should be informed by findings from the Inter-Ministerial Group on the cost of living and, more broadly, by the latest evidence on the key drivers of poverty.* (Paragraph 77)

20. Past income-based targets for child poverty have helped to focus minds across Government. But, like all targets, they can 'distort' the policy response, and some witnesses believed that this happened in the final years of the 2010/11 child poverty target as the emphasis shifted towards income transfers. To counter this risk, it is important to have a broad set of targets covering income and other policy measures. The Government must also be committed to reducing child poverty, with a clear strategy which is supported by measurable objectives and strong delivery plans. (Paragraph 83)

21. *As part of a new cross-departmental strategy, the Government should set clear, ambitious and measurable objectives and plans for reducing child poverty. The Government should report to Parliament annually on progress in implementing its child poverty objectives and plans.* (Paragraph 84)

The quality, timeliness and completeness of child poverty data

22. The pandemic has brought into sharp relief the delay in publishing poverty data through DWP's 'Households Below Average Income' statistics. DWP and HMRC have a wealth of administrative data on benefits, tax and earnings. DWP can make better use of these to produce 'closer to real-time' information on child income poverty to support its strategy. This 'lead' data would supplement the data gathered through household surveys. Its publication will help DWP to account for its performance in addressing child poverty. (Paragraph 89)

23. *Working with HMRC and other UK producers of income statistics, DWP should develop a dashboard of child income-related poverty 'lead' indicators which are closer to real time and supplement existing survey data sources. DWP should publish this data as part of its child poverty measurement framework.* (Paragraph 90)

24. The 12-month delay in producing income poverty statistics means that DWP data on the proportion of children in low income for the year to March 2021 will not be published until March 2022. We were encouraged to hear that DWP is working with the Department of Health and Social Care and the Office for National Statistics to understand better the impact of the pandemic on family outcomes. Lessons from this exercise might also help DWP in its approach to modelling the impact of future changes to social security on health and well-being. It is, nevertheless, surprising that DWP has not published any more research or analysis on the impact of the pandemic on children and families in low incomes, bearing in mind its responsibilities for poverty. This seems especially important in the light of evidence from other sources, including witnesses to our inquiry, that the pandemic has particularly affected families and children towards the bottom of the income distribution who were already vulnerable before covid-19 struck. (Paragraph 96)

25. *DWP should commission research examining, in depth, the impacts of the pandemic on children living in families in low income. It should publish the results of this*

analysis alongside its March 2022 Households Below Average Income statistics. DWP should also publish early findings from its longer-term project with the Department of Health and Social Care and the Office for National Statistics to understand the differential impacts of the pandemic. DWP should use the lessons from its exercise with the Department of Health and Social Care to inform how it might better estimate the health and well-being impacts of future changes to social security affecting children and families. (Paragraph 97)

26. DWP has valuable administrative data that can be used to improve understanding of child poverty and support a better response to it. To make the best use of this resource, DWP will need to collaborate with others in Government, local authorities and academics. However, we have heard significant concerns from local authorities and from some academics about the Department's preparedness to share data. We are encouraged by its recent progress in some areas but believe DWP could be more open and constructive in its approach. (Paragraph 102)

27. *DWP should liaise with other government departments to identify lessons for how it might take a more constructive approach to sharing data related to child poverty. DWP should write to us by June 2022 updating us on its progress (a) in working with the Office for National Statistics, Administrative Data UK and other government departments to develop new data matching and analysis programmes to understand better the causes and consequences of child income poverty; and (b) in addressing local authority concerns about the sharing of Universal Credit administrative data.* (Paragraph 103)

28. DWP and the Office for National Statistics both have survey and statistical research projects on income. There is a risk that these overlap, reducing the quality of the overall data collected and contributing to reduced clarity in Government reporting of poverty data. (Paragraph 106)

29. *DWP should work with other UK producers of income statistics to co-ordinate the current suite of survey and data analysis to strengthen the breadth and depth of work and improve reporting clarity. DWP should write to us by March 2022 setting out the additional steps it has taken to integrate surveys to maximise their efficiency and reach.* (Paragraph 107)

30. Gaps in data on inescapable costs that households face, including those associated with disability and debt, reduce the accuracy of data about who is in poverty. The Social Metrics Commission has shown leadership in highlighting these matters but is reliant on Government data. Making progress on addressing these gaps will require significant commitment from DWP, working with other departments. (Paragraph 113)

31. *To improve its measurement of income-related poverty, DWP should work with others, including the Office for National Statistics, relevant academics, and children's charities to identify a list of inescapable household costs and define options for how data on these might be collected. DWP should write to us by June 2022 setting out the additional costs it intends to capture and the methods it proposes to use.* (Paragraph 114)

32. Gaps in the analysis of income poverty for different ethnic groups caused by small survey samples reduces our understanding of poverty and solutions to it. We

therefore welcome DWP's recent decision to increase the sample size of its Family Resources Survey which will strengthen the analysis of poverty for different groups. (Paragraph 116)

33. *DWP should write to us by June 2022 setting out precisely what additional subgroup analysis, including analysis of ethnic minority households, it expects to be able to conduct as a result of the increase in the sample size for its Family Resources Survey.* (Paragraph 117)

34. Income poverty data on children whose parents have no recourse to public funds is limited. DWP's Family Resources Survey picks up very small numbers of these children and the Department does not collect significant administrative data on them because their parents are not normally entitled to its benefits and services. This blind-spot in DWP's understanding of children in poverty is not sustainable. As a Department with responsibility for poverty and disadvantage it falls to DWP to conduct research and analysis for all of society, including for children of families with no recourse to public funds. We expect to return to this issue later in 2021. (Paragraph 121)

35. *We recommend that DWP works with the Office for National Statistics to produce robust income-related poverty and income data on children and their families with no recourse to public funds. DWP should write to us by June 2022 to give an update on its progress in addressing this unsustainable gap.* (Paragraph 122)

36. Local level data on child income poverty is important to enable national and local governments to plan their services. DWP's recent work with HMRC to produce local area estimates of children in low income families is welcome, but its usefulness is reduced because the estimates do not include housing costs. For most families with children, housing costs take up a significant portion of their monthly budget, especially in the south of England and in coastal areas. Without good quality data about those costs it is impossible to gain a full picture of a family's circumstances, but DWP told us that there is a lack of individual-level data on housing costs. The Centre for Research in Social Policy at Loughborough University has, however, been able to use the housing data that is available to model local rates after housing costs. (Paragraph 125)

37. *We recommend that DWP works with external academics, local authorities and other government departments to identify options for reflecting the cost of housing in its local area estimates of children in low income families. DWP should write to us by June 2022 to update us on its analysis of options.* (Paragraph 126)

Formal minutes

<p align="center">**Wednesday 15 September 2021**</p>

<p align="center">Members present:</p>

<p align="center">Rt Hon Stephen Timms, in the Chair</p>

Debbie Abrahams	Selaine Saxby
Shaun Bailey	Dr Ben Spencer
Siobhan Baillie	Chris Stephens
Steve McCabe	Sir Desmond Swayne
Nigel Mills	

Draft Report (*Children in poverty: Measurement and targets*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 126 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

<p align="right">[Adjourned till Thursday 16 September at 10.15 am.</p>

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee's website.

Wednesday 3 March 2021

Dr Keetie Roelen, Research Fellow and Co-Director of the Centre for Social Protection, Institute of Development Studies; **Dr José Manuel Roche**, Research Associate Department of International Development, University of Oxford   Q1–17

Dr Kitty Stewart, Associate Professor of Social Policy and Associate Director of the Centre for Analysis of Social Exclusion, London School of Economics & Political Science; **Edward Davies**, Policy Director, Centre for Social Justice; **Helen Barnard**, Director, Joseph Rowntree Foundation   Q18–44

Wednesday 14 April 2021

Professor Paul Bywaters, Professor of Social Work, University of Huddersfield; **Professor David Taylor-Robinson**, Professor of Public Health and Policy, University of Liverpool; **Yasmin Rehman**, Chief Executive Officer, Juno Women's Aid   Q45–62

Rebecca Jacques, Policy Officer, Children's Society; **Charlotte McDonough**, Policy Adviser, Save the Children; **Sophie Howes**, Head of Policy, Child Poverty Action Group   Q63–77

Wednesday 12 May 2021

Will Tuckley, Chief Executive, London Borough of Tower Hamlets; **Charlotte Ramsden**, President, Association of Directors of Children's Services, Strategic Director for People, Salford City Council; **Gavin Mullin**, Commissioning Officer (Children and Families), Cambridgeshire County Council and Peterborough City Council   Q78–100

Sabine Goodwin, Co-ordinator, Independent Food Aid Network; **Peter Tutton**, Head of Policy, Research and Public Affairs, StepChange; **Una Summerson**, Head of Policy and Public Affairs, Contact-for families with disabled children   Q101–115

Wednesday 26 May 2021

The Baroness Stroud, Chair of the Social Metrics Commission; **Mike Brewer**, Deputy Chief Executive and Chief Economist, Resolution Foundation; **Robert Joyce**, Deputy Director, Institute for Fiscal Studies; **Ed Humpherson**, Director General for Regulation, Office for Statistics Regulation   Q116–142

Anne Longfield, Campaigner for children and Children's Commissioner for England 2015–2021; **Bruce Adamson**, Children and Young People's Commissioner for Scotland   Q143–156

Wednesday 23 June 2021

Will Quince MP, Minister for Welfare Delivery, Department for Work and Pensions; **Donna Ward**, Director of Poverty, Family and Disadvantage, Department for Work and Pensions; **Elaine Squires**, Deputy Director for Income, Family and Disadvantage Analysis, Department for Work and Pensions   Q157–224

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

CPM numbers are generated by the evidence processing system and so may not be complete.

1   ADR UK (Administrative Data Research UK) ([CPM0042](#))

2   Administrative Data Research Wales ([CPM0044](#))

3   Allen, Dr Ruth (CEO, British Association of Social Workers) ([CPM0005](#))

4   Association of Directors of Children's Services ([CPM0008](#))

5   Bennett, Fran (University of Oxford) ([CPM0003](#))

6   Bywaters, Professor Paul (Professor of Social Work, University of Huddersfield) ([CPM0005](#))

7   British Association for Early Childhood Education ([CPM0007](#))

8   British Psychological Society ([CPM0036](#))

9   Centre for Analysis of Social Exclusion, London School of Economics and Political Science ([CPM0043](#))

10   Child Poverty Action Group ([CPM0028](#))

11   Children's Society ([CPM0034](#))

12   Civitas ([CPM0002](#))

13   Contact; Family Fund; Scope ([CPM0012](#))

14   Edmiston, Dr Daniel (University of Leeds) ([CPM0027](#))

15   End Child Poverty Coalition, UK ([CPM0031](#))

16   England Illegal Money Lending Team ([CPM0020](#))

17   Essex Child and Family wellbeing Service ([CPM0033](#))

18   Griffiths, Dr Rita (University of Bath) ([CPM0003](#))

19   Health Inequalities Policy Research Team ([CPM0030](#))

20   Home for Good ([CPM0018](#))

21   Joseph Rowntree Foundation ([CPM0019](#))

22   Juno Women's Aid ([CPM0013](#))

23   Kellogg's UKI ([CPM0025](#))

24   Kinship ([CPM0039](#))

25   Legatum Institute ([CPM0011](#))

26   Local Government Association (LGA) ([CPM0015](#))

27   London Borough of Tower Hamlets ([CPM0026](#))

28   Magic Breakfast ([CPM0040](#))

29   Maternal and Child Health Network (MatCHNet); and MRC/CSO Social and Public Health Sciences Unit ([CPM0009](#))

30   Millar, Professor Jane (University of Bath) ([CPM0003](#))

31   North East Child Poverty Commission and Children North East ([CPM0035](#))

32   Roche, Dr José Manuel (CPM0046)

33   Save the Children UK (CPM0021)

34   School Food Matters (CPM0014)

35   Shaw Trust (CPM0004)

36   Social Metrics Commission (CPM0010)

37   StepChange Debt Charity (CPM0038)

38   Thakkar, Siddharth (University of Leeds) (CPM0027)

39   Trussell Trust (CPM0045)

40   Walcot Foundation (CPM0006)

41   Welfare Reform and Larger Families research project (CPM0022)

42   What Works for Children's Social Care (CPM0017)

43   Wood, Marsha (University of Bath) (CPM0003)

44   Department for Work and Pensions(CPM0037)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

Session 2021–22

Number	Title	Reference
1st	DWP's preparations for changes in the world of work	HC 216
2nd	Disability employment gap	HC 189
1st Special Report	Universal Credit: natural migration: Government Response to the Committee's Twenty Seventh Report of Session 2017–19	HC 228
2nd Special Report	Protecting pension savers–five years on from the pension freedoms: Pension scams: Government, The Pensions Regulator and Financial Conduct Authority Responses to the Committee's Fifth Report of Session 2019–21	HC 504

Session 2019–21

Number	Title	Reference
1st	DWP's response to the coronavirus outbreak	HC 178
2nd	The appointment of Dr Stephen Brien as the Chair of the Social Security Advisory Committee	HC 733
3rd	Universal Credit: the wait for a first payment	HC 204
4th	The temporary increase in Universal Credit and Working Tax Credit	HC 1193
5th	Protecting pension savers—five years on from the pension freedoms: Pension scams	HC 648
6th	The appointment of Sarah Smart as Chair of the Pensions Regulator	HC 1358
1st Special Report	DWP's response to the coronavirus outbreak: Government Response to the Committee's First Report	HC 732
2nd Special Report	The two-child limit: Government Response to the Committee's Third Report of Session 2019	HC 1079

Number	Title	Reference
3rd Special Report	Universal Credit: the wait for a first payment: Government Response to the Committee's Third Report	HC 1117
4th Special Report	Universal Credit and "survival sex": Government Response to the Committee's Second Report	HC 1225