

Contents

About this report	5
Executive Summary	6
The United Kingdom	7
1 The Target, Legislation and Governance	8
A Review of 14 Years of the UK Child Poverty Target	8
The Target and Legislation	8
Governance and Accountability	9
Understanding Performance Against the Target	10
2 Successive National Strategies	12
Labour Government (1997 – 2010) and Progress	12
Behavior During Recession	12
Conservative Coalition Government (2010 – present) and Progress	13
An Observation: Short- and Long-term Approaches	14
Employment and Broader Labor Market Themes	15
Relationship to Other Policy Efforts: Welfare and Education	15
3 Localizing the Target	16
History of Localization	16
A Change in Approach	17
The Role of Civil Society	18
The Nature of Local Strategies	18
Post-Recession: Cities, Economic Growth and Poverty	19
Nations: Scotland's Success	19
Cities: The Liverpool City Region's "Child Poverty and Life Chances Strategy"	21
4 The Next 6 Years	22
The 2015 General Election	22
The Endurance of the Child Poverty Target	22
Public Attitudes	23
Independence, Devolution and Localism	23

5 Transferable Themes for the United States	24
Recommendations from UK Experts	24
Recommendations from the Authors	25
Annex 1: Local Child Poverty Strategies from the United Kingdom	27
Nations	27
Large Cities and City Boroughs	27
Smaller Cities, Counties and Local Areas	27
Annex 2: Wakefield's CP Statement	29
Annex 3: UK National Minimum Wage Rates & US Conversion	30
Annex 4: Question Schedule for the UK Child Poverty Unit	30
About the Authors	32

First Focus is a bipartisan advocacy organization in Washington, DC dedicated to making children and families the priority in federal policy and budget decisions. First Focus leads a comprehensive advocacy strategy, with its hands on experience with federal policymaking and a commitment to seeking policy solutions. InclusionUS is a policy and research center dedicated to equitable economic growth and inclusion.

InclusionUS specializes in the areas of national and international policy analysis, economic development, welfare systems, labor market planning, social innovation and philanthropy. It is the Washington, DC branch of the Centre for Economic & Social Inclusion in London, UK.

Together we wish to thank:

- Paul Bivand, Head of Statistics, Centre for Economic & Social Inclusion, London
- Richard Cienciala, Director, UK Child Poverty Unit, London
- Chris Goulden, Head of Team (Poverty), The Joseph Rowntree Foundation, York
- Karen Grunhut, Anti-Poverty Policy Co-ordinator at the City & County of Swansea, Wales
- Paul Hayes, Corporate Policy Manager, Wakefield Council
- Claire Hogan, Policy Advisor, Knowsley Metropolitan Borough Council (Liverpool City Region)
- Lily Thompson, Centre for Economic & Social Inclusion, London
- Tony Wilson, Head of Policy, Centre for Economic & Social Inclusion, London

for contributing their time and experience to this report.

About this Report

Poverty and inequality, its causes and solutions have been debated across the ages. How to define, measure, reduce and eradicate it, particularly in light of the Great Recession, are central policy questions for our time. This report explores the United Kingdom's Child Poverty Target, a ground-breaking long-term policy goal enshrined in law to reverse the trend of poverty and social exclusion in the UK. The United States has been drawn to the idea of a UK-style target for some years now, though philosophical differences on the causes of poverty and political differences on effective strategy have kept a US target at arm's length.

This report builds on several UK-US comparative studies previously commissioned by First Focus, including:

- "From Target to Legislation: Tackling Child Poverty in the United Kingdom A Model for the United States?" by Kate Bell, a chapter in the First Focus publication Big Ideas: Game-Changers for Children (October 2010)
- "Tackling Child Poverty and Improving Child Well-Being: Lessons from Britain," by Jane Waldfogel, Columbia University and London School of Economics (December 2010)
- "Protecting Children in Tough Economic Times: What Can the United States Learn from Britain?"
 by Jane Waldfogel, Columbia University and London School of Economics (June 2011)
- Study Visit to the United Kingdom: The Next Phase of the UK's Child Poverty Target, Part 1 and Part 2" a US delegation visit to London and the Liverpool City Region to explore the UK Child Poverty Target first-hand, led by Megan Curran, First Focus and Natalie Branosky, InclusionUS (October 2011)

This review brings retrospective understanding to how the United Kingdom, through its own philosophical differences and successive governments, has addressed child poverty with a distinct policy target and measureable goals. It is important to read, consider and comprehend this report in light of a 20-year effort, now in its 14th year.

In the global exchange of policy innovations, the UK Child Poverty Target provides the United States with a brave example and a valuable evidence base. The rest is up to us.

Bruce Lesley, President First Focus, Washington DC Natalie Branosky, Chief Executive InclusionUS, Washington DC

Executive Summary

This report is a 14-year retrospective on the UK's Child Poverty Target, which builds on a UK study visit and comparative studies carried out by First Focus over the past 5 years. With a new legislative agenda for 2015, the US Congress has a fresh opportunity to address child poverty and inequality through cooperative, bipartisan means. The UK's Child Poverty Target is an example of a long-term policy goal, from a country that is an excellent international comparator for the US given similarities in poverty levels, parliamentary process, policy development, and overall economic performance.

This report asks: What are the transferable themes that guide a successful national target to eradicate child poverty? The answers draw on UK-based policy research, published commentary from national and local leaders, and interviews with national and local policy leads.

The Target, Legislation and Governance. In 1999, Prime Minister Tony Blair announced that the Labour Government of the time, and future governments, would work to eradicate child poverty with targets to reduce it by ½ by 2004-05, by ½ by 2010, and eradicate it by 2020. This remained an overarching policy strategy for a decade. Parliament then passed The Child Poverty Act 2010, requiring measurements and targets for: relative poverty, combined low-income and material deprivation, persistent poverty, and absolute poverty. The law requires the Government to regularly publish a UK Child Poverty Strategy, requires the nations (Scotland, Wales and Northern Ireland) to publish their own strategies, and places new duties on local governments to address child poverty. Accountability and governance are managed by the UK Child Poverty Unit (a policy team of civil servants jointly sponsored by the UK Department for Work and Pensions, the UK Department for Education and Her Majesty's Treasury), the Social Mobility and Child Poverty Commission (an independent monitoring body), the Nations and Local Governments, and the All-Party Parliamentary Group on Poverty (likened to an issue-driven Congressional Caucus).

Successive National Strategies. The period of the greatest decline in the UK child poverty rate (1998-2004) corresponds with strong GDP growth and certain poverty reduction policies. The UK made considerable strides in reducing child poverty through a mixture of short and long-term measures: investments for children, measures to make work pay, and efforts to increase financial support for families. In the first decade of the target, the UK child poverty rate decreased significantly. This coincided with policies such as in-work tax credits, increasing incentives for parents to work, improving earnings from employment, early education programs, and a new child support agenda. Later years, characterized by the global recession, focused on aggressive use of tax credits and increasing the contributions of second earners to family incomes.

Localizing the Target. How the target is interpreted and understood by local governments, particularly during the transfer from one UK Government to the next, is critically important to its success. Both the UK and the US share a classic tension between national and local government, and in both countries there is a strong desire for local autonomy. Over time, the national-local relationship, the role of civil society, and the structure of local child poverty strategies have evolved and matured to contribute to the national target and to meet the local requirements of the Child Poverty Act 2010. Local governments are considering the role of issues such as economic growth, skills funding, local employer needs, a living wage, cost-of-living, and transportation policy in their child poverty planning. Notably, Scotland's child poverty strategy can be compared to State efforts and should be referenced for its progress.

The Next 6 Years. The stage is set for the remaining 6 years of the target. Between now and 2020, we can expect the 2015 UK General Election to be a litmus test for the lingering effects of the Global Recession. This includes the question of reduced financing of the welfare system and policies for mitigating the negative effects on children in high-poverty households. The target remains in place and the ruling party will inherit the framework of the Child Poverty Act of 2010. The next stage will also have to take in to account the changing public attitudes about 'poverty' and 'responsibility,' and be mindful of the demands by the Nations

(Scotland, Wales, Northern Ireland and perhaps England itself) for greater local autonomy on UK-wide policies that affect their economic concerns.

Transferable Themes for the United States. The report concludes with recommendations from both UK policy and research experts and those working on child poverty locally in the UK. These sit alongside recommendations from the authors, which are:

- A national child poverty target and timeline should be the centerpiece of a national poverty-reduction strategy.
- A small, independent, cross-departmental analytical unit should be established to manage the target.
- The target should be linked to broader economic policy, such as measurements of economic growth and a definition of full employment.
- The policy strategy for meeting the target should be a combination of "short" and "long-term" policies that purposefully focus on education, benefits programs, workforce development, health, etc.
- The policies chosen for reaching the target should be rooted in an evidence base that demonstrates results and efficiency.
- Any national target must include a cohesive and co-operative Federal, State, and Local partnership.

Additional Resources

The report concludes with weblinks to child poverty strategies from the nations, large and small cities and counties, all of which are connected to or driven by the national child poverty target.

The United Kingdom

The United Kingdom constitutes the Nations of England, Scotland, Wales and Northern Ireland. For this report, we use the following language:

- UK Government: UK Parliament & Government Departments at Westminster, London
- The Nations: Parliaments (Assemblies) and Government Departments of Scotland, Wales and Northern Ireland
- Local Government: Local Councils and Local Governments in England, Scotland, Wales and Northern Ireland

The United Kingdom is not a federal system as understood in the United States, however for this discussion US readers might think comparatively in these terms:

- UK Government = US Federal Government
- The Nations = US States
- Local Government = US Counties, Cities and Municipal Governments



1. The Target, Legislation and Governance

A Review of 14 Years of the UK Child Poverty Target

With a new legislative agenda, the 114th United States Congress has a fresh opportunity to address the issue of escalating poverty and inequality through cooperative, bi-partisan means. In the global search for effective policy solutions, the United Kingdom is an excellent comparator for the United States given similarities in poverty levels, parliamentary process, policy development, and overall economic performance.

The UK Child Poverty Target is an often-referenced example of how a national government can set a long-term goal and carry out a long-term national effort. First Focus has commissioned InclusionUS to carry out a review of the target, a 20-year policy goal to eradicate child poverty, now in its 14th year.

The UK Child Poverty Target was launched in 2000 and has stood the test of time. It is now a mature policy goal that has weathered changing majorities in Parliament, a variety of public policy initiatives, the trials of the global recession, and tensions between national policy and local autonomy. Through all of this, the target remains a national goal to be reached by the year 2020.

This report asks a simple, overarching question: Looking back at 14 years, what are the key principles and transferable themes that guide a national target to eradicate child poverty?

To answer the question we concentrated on themes that are relevant to designing such a target in the United States, such as:

- how the target is designed to guide the development of national effort over a 20-year period,
- how the target transcends changes in Parliamentary / Congressional majority and respective poverty strategies,
- the architecture that ensures accountability for the target,
- policies that correspond with child poverty trends and performance against the target,
- the target's relationship to the economy and broader policy themes, and
- the relationship between national and local governments on adopting the target, developing strategies, and contributing to the national target.

This report draws on selected UK-based research literature, published commentary from national and local leaders, and interviews with national and local policy leads. Where possible, we provide original UK currency amounts and US conversions for the time period for which they were relevant.

The Target and Legislation

In 1999, Prime Minister Tony Blair announced a new policy initiative to span a generation. At the Aylesbury Housing Estate in London, he announced that the current Labour Government and future governments would work to eradicate child poverty:

"Our historic aim, is that ours is the first generation to end child poverty forever. It's a 20-year mission, but I believe it can be done."

– Prime Minister Tony Blair October 1997, Aylesbury Estate, London The policy used figures from 1999 as the base year, and included a long-term target with quarterly goals to reduce child poverty:

- by one quarter by 2004-05,
- by half by 2010, and
- eradicate it by 2020.

Throughout 10 years of Labour Government rule, the child poverty target and the accompanying policy strategy remained just that: a policy effort across numerous government departments who continually monitored their progress against a central target.

In the final days of the Labour Government, the target was set in law. The Child Poverty Act 2010, which passed Parliament and received Royal Assent in March 2010, fulfilled the commitment to "enshrine" the target in legislation. It established four separate child poverty targets to be met by 2020/21, requires the UK Government to publish a regular UK Child Poverty Strategy, requires the nations (Scotland, Wales and Northern Ireland) to publish their own child poverty strategies, paved the way for a Child Poverty Commission to provide advice, requires the UK Government to publish annual progress reports, and places new duties on local governments and other "delivery partners" in England to work together to tackle child poverty.¹

The new law sets 4 child poverty targets for 2020:

- Relative poverty to reduce the proportion of children who live in relative low income (in families with incomes below 60 percent of the median, before housing costs) to less than 10 percent.
- Combined low income and material deprivation to reduce the proportion of children who live in material deprivation and have a low income (below 70 percent of the median, before housing costs) to less than 5 percent.
- "Persistent" poverty to reduce the proportion of children that experience long periods of relative poverty, with the specific target to be set by December 2014; and
- "Absolute" poverty to reduce the proportion of children who live below an income threshold fixed in real terms to less than 5 percent.

Governance and Accountability

The Child Poverty Target is a shared responsibility, and accountability rests with several entities, some of which have existed since the target's inception in 2000 (such as the UK Child Poverty Unit), and later bodies such as the Social Mobility and Child Poverty Commission, which was created in the 2010 legislation.

The UK Child Poverty Unit. The Child Poverty Unit is a dedicated team of civil servants, jointly sponsored by the UK Department for Work and Pensions, the UK Department of Education and Her Majesty's Treasury. The Unit works to "reduce poverty and improve social justice" and supports government ministers in meeting their child poverty reduction targets by 2020. The unit also has an analytic team, which researches the effectiveness of policies and programs at reducing child poverty, independent of political direction.

The Social Mobility and Child Poverty Commission. The Social Mobility and Child Poverty Commission was established to independently monitor the progress of Government and others in improving social mobility and reducing child poverty throughout the country.

The Nations and Local Governments. The child poverty target drives both national and local policy, which includes the Nations of the United Kingdom (Scotland, Wales and Northern Ireland). The Child Poverty Act 2010 places requirements on local authorities (local governments), such as carrying out a "local needs assessment" of children living in poverty in the local area and producing a local child poverty strategy.

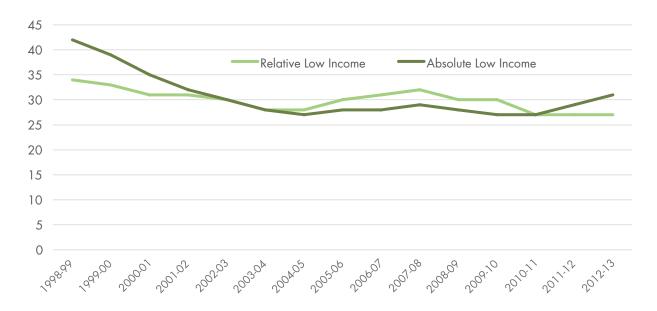
The All Party Parliamentary Group on Poverty (APPG). While not part of the official governance of the target, it is important to acknowledge the APPG.² Akin to an issue-driven Caucus in the US Congress, the goal of this cross-party group of national elected officials is to increase understanding of poverty among parliamentarians and to seek all-party solutions, while drawing on the expertise of outside people and knowledge. The APPG has three main streams of work:

- Children's voices: the development of a Children's Manifesto about what to do about poverty;
- Civil society: the role civil society and advocacy organizations can play in the reduction of poverty, and
- Business practices: the responsibility of business to reduce poverty and what it can do in practice.

Understanding Performance Against the Target

Below we have two interpretations of the trajectory of child poverty in the UK. The first (Figure 1), "The Percentage of Children in Relative / Absolute Low Income in the United Kingdom, After Housing Costs" is the official measure held by the UK Parliament. The relative measure was set at 60 percent below UK median income at the inception of the target and remains one of the four measures used today.

Figure 1: Percentage of Children in Relative / Absolute Low Income in the United Kingdom (After Housing Costs³)⁴



An **absolute measure** was adopted with the passage of the Child Poverty Act 2010, using the fixed figure of 60 percent below median income **for the year 2010**. The measure from this date continues to be used in all successive years.

The 14-year performance to date divides roughly into thirds. We can explain the behavior depicted in the graph in the following way:

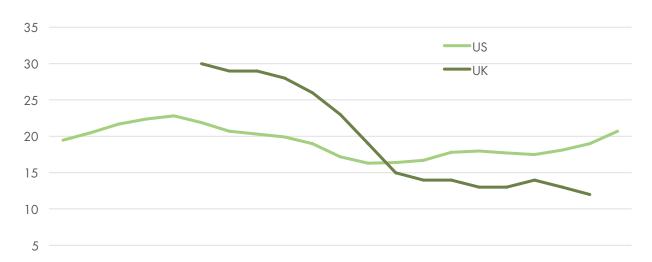
The first period (1998-2004) is characterized by a growing economy (economic growth of 3.21 percent)^{5,6} and a national full employment rate target of 80 percent as the centerpiece of the economic strategy of the Labour Government. During this time there was a considerable policy effort to increase employment support and job placement for single parents (a voluntary program under the New Deal to "make work pay.") It is important to note that during this time, there was no work requirement, however single parents were shown a "make work pay" calculation and were voluntarily drawn into employment and away from benefits.

The second period (2004-2007) is characterized by an attempt to carry on with raising single parent employment rates as the main policy tool, while introducing new tax credits (such as the Working Tax Credit and others) from 2003. However, the child support policy elements were only indexed to inflation, and increasing median incomes rose faster than that, so on the "after housing costs" measure the trend dips backwards.

In the third period (2007-2013), which coincided with the financial crisis, recession and rising general unemployment, there was quite aggressive use of the Tax Credits system to try to get the previously declining poverty trend back on track. If there was a time when policies were judged for their immediate impact on getting families (and their children) just over the child poverty line, this was it. This period also saw a focus on increasing the contributions of second earners to family incomes.⁷

The second figure (Figure 2), "Absolute Poverty in the US and UK 1989 – 2009" is a comparison to US performance using the US absolute measure, and the UK absolute measure which is back-dated to reflect children in households at below 60 percent or median income at 1998 – 1999.

The graph shows a sharp decline in child poverty between the years 1994 and 2009, which can be explained in part by the policies and economic conditions outlined in paragraphs 1.20 and 1.21 above.



1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

Figure 2: Absolute Poverty in the US and UK 1989-20098

2. Successive National Strategies

Labour Government (1997 – 2010) and Progress

The first 10 years of the UK Child Poverty target were stewarded by the Labour Party, which was in power from 1997 led by Prime Minister Tony Blair and later by Prime Minister Gordon Brown.

Based on modelling that would demonstrate progress toward quarterly targets, the Labour Government's strategy focused on these policies:

- · Raising incomes through benefits and in-work tax credits
- Increasing incentives for parents to work (within this is support for child care costs, the right to request flexible work, and welfare-to-work programs based on a "make work pay" calculation)
- Improving earnings from employment (a national minimum wage guarantee, a national skills agenda)⁹
- Early education and early years programs (such as the national Sure Start program)
- A new child support agenda

There is little argument that the UK child poverty rate decreased significantly in the first decade following its introduction (2000 – 2010). By 2005, the child poverty rate had decreased by 17 percent, which fell short of the first quarterly target of a 25 percent reduction. Opinion varied greatly on how to interpret this: was a 17 percent reduction a considerable achievement given it was the first of its kind to strive to an aspirational target, or was it a policy failure given it was 8 percent short of the quarter-time success mark?

The Institute of Fiscal Studies (IFS), a group renowned for their robust and impartial statistical analysis, put the figure at 900,000 children (7 percent of all children in the UK) lifted out of poverty in the first ten years of the target AND a further 600,000 (4.6 percent) prevented from falling into poverty.

There is, however, concern over the sustainability of this decrease. Recent projections from the IFS describe a likely increase in the child poverty rates of 300,000 children by 2015 to a total of 4.2m by 2020. This represents a significant increase from 27 percent to 32 percent of all children living in relative income poverty in the UK.¹⁰

The IFS have noted that the primary reason for the decrease in child poverty was the increase in the value of in-work benefits aimed at households with children (particularly the Working Families Tax Credit, roughly the equivalent of the US Earned-Income Tax Credit). Such benefit changes had immediate effects on income. It can be seen that the Labour Government's direct tax and benefit changes were clearly driven by the UKCPT – this is perhaps unsurprising given the fact that the poverty measures were entirely income based. However, the challenge of meeting the 10 percent target in 2020 cannot be met through fiscal redistribution alone – the financial cost is too high, even if the political appetite were there. This has led to a broader evaluation of how the target can be met, including calls for a review of the measures.

Behavior During Recession

As described above the UKCPT is comprised of four measures, the one most commonly used being a relative poverty line equal to 60 percent of median income. Income-based poverty measures are highly sensitive to fiscal redistribution. Critics of this measure note that it is possible for a family to "move out of poverty" without their micro-financial situation changing. Indeed, falling wages for all earners during the recession caused a statistical anomaly that meant that some families moved closer to or over the poverty line without any significant change in their income.¹²

Research by the Institute for Fiscal Studies (focused on Northern Ireland but applicable to the whole of the UK) has found that as a result of benefit changes from 2010 onwards, ¹³ child poverty will increase. However, in the current economic climate, absolute child poverty based on the 2010 level will increase faster than relative child poverty because incomes are generally falling. ¹⁴ In response, it is argued that a relative measure gives a broader perspective of how poverty is experienced by children. ¹⁵

When budget "austerity" was implemented in the UK as a result of the recession and the change of government, there was a movement away from solely income-based measures to a more expansive picture of poverty drivers including education, employment and source of income. This raises the question of how to create a workable hierarchy of measures to which governments can be held accountable. This remains very much a "live" debate in the United Kingdom.

Conservative Coalition Government (2010 – present) and Progress

The General Election in May 2010 saw the defeat of Labour, and their replacement with a Coalition Government led by the Conservative Party (307 Members of Parliament out of a total of 650) and the Liberal Democratic Party (57 Members of Parliament out of a total of 650). As the majority party the Conservatives have set the agenda in many areas of policy, and this is especially so with regard to policies related to poverty, with a welfare reform agenda that draws in part on policy methods used in the United States' welfare reforms of 1996. As early as 2007 (two years after his election as leader of the then opposition Conservative Party) David Cameron had committed his party to addressing child poverty, stating: "ending child poverty is central to improving child well-being". It was this cross-party consensus which had allowed the Child Poverty Act to be passed in 2010.

After the coalition was formed, UK Chancellor George Osborne announced a program of "austerity" to reduce budgetary spending during adverse economic conditions. This amounted to a 40 percent spending decrease across every government department, combined with tax rises and benefits cuts, announced in Budget 2010 with the end of the forecast period being 2015-2016. (However, in 2014 Her Majesty's Treasury extended the proposed austerity period to at least 2018. This reaches beyond the General Election anticipated in May 2015.)

How the child poverty target and the new legislation are interpreted as they transfer from one government to the next is perhaps the most important question to be asked by outside observers wanting to understand the continuum of performance under different governing philosophies. The Child Poverty Act 2010 (passed during the Labour Government) received all-party support after the General Election and is contained within the Coalition's "Programme for Government" which was published the month the Conservative Coalition was elected.

An interview with the Director of the UK Child Poverty Unit Richard Cienciala demonstrates this governing principle through the child poverty lens:

"It's a very easy answer: any Government can amend statute via Parliamentary means. This Government is consulting on changing the persistent poverty measurement, as it is the prerogative of Government to do so. No legislation can bind into the future against the will of Parliament."

He continued to explain that the "clear ideas" from the UK Department for Work and Pensions about the importance of tackling the drivers of poverty have influenced the way the Child Poverty Unit has moved forward.

At the same time, it is important to note that while the Child Poverty Unit is responsible for developing the current government's strategy, the Unit is also dedicated to "2-way traffic," meaning that it has quite a strong analytical capacity of its own, which seeks to maintain an essential, balanced dialogue between political direction and research evidence.

In order to meet the legislative requirements of the UKCPT set by the previous government, the Coalition have opted to develop a series of child poverty strategies, each of which span three years. These aim to identify both the drivers of child poverty and the areas in which government policy can have an impact. The most recently published strategy covers 2014-2017. This took the form of a consultation and requested responses from interested parties on a number of themes. ¹⁶ The strategy is framed as investigating approaches to reduce child poverty and meet the long-term goal of reducing chance of poor children growing up into poor adults. The approach is divided into three sections: employment, raising living standards and education.

Concern has been expressed that while there are a lot of aspirations in the document (to "make work pay", and to "tackle low pay" for example) there are very few practical, measurable actions for which the Government can be held accountable.¹⁷ There is concern that the movement away from a numerical target to broader goals will see a loss of focus at a time when the numbers of children in poverty is increasing.

Richard Cienciala rejects this analysis, describing the accountability mechanisms as strong: "It is the job of the Child Poverty Unit and Social Mobility Commission to hold the government to account against the targets." He also noted the large non-profit presence in this area, which he describes as providing an additional layer of accountability. Indeed, respondents to the consultation from this sector did identify ways in which the Government could action some of these goals – for example by paying living wage salaries to all contracted and sub-contracted workers and seeking to change the behavior of outsourced service providers through procurement.

An Observation: Short- and Long-term Approaches

There is perhaps a "non-political" narrative for describing the differences in preferred approaches. The Director of the Child Poverty Unit (a senior civil servant, whose apolitical role is to implement the strategy of the current Government) describes the Government as seeing long and short-term interventions as complimentary. However, he then went onto say that for the current government the focus was on investing in services (long-term) rather than putting money into people's pockets through tax and benefit changes (short-term). There is agreement that parental involvement in the labor market needs to be central to both approaches.

Short-term interventions. Those favoring short-term solutions are more likely to have changes in parental income as their primary focus in discussions about child poverty. Preferred responses are ways to directly increase individuals' incomes, through instituting a living wage to make work pay, and reducing the cost of household expenses such as heating and childcare so that working, even in a low wage job, becomes a viable option for both parents.

Long-term interventions. Advocates for this approach focus on what they describe as the main drivers of poverty. These include educational failure, high levels of personal debt and worklessness/economic dependency. There has been significant lobbying to see these issues included in the measurement of child poverty. They want policy to "transform lives" rather than "maintain people on slightly higher incomes." Thinking only of poverty as a lack of money has led to "an overarching income inequality target, which drives short-term, narrow and expensive policy responses."¹⁸

Cienciala describes the decision-making process for the Child Poverty Unit in terms of where they should invest their efforts. Currently they consider their intervention against three criteria:

- 1. What are the drivers of poverty that Government policy can impact?
- 2. What is the impact of cost of living changes? (for example, fuel, housing, poverty premiums)
- 3. What are the live areas of policy development that can be influenced by the Unit?

Employment and Broader Labor Market Themes

Employment is central to the UK's drive to lift more children out of poverty. It sits at the top of the Coalition Government's strategy, and is reflected in a range of policy interventions:

- To increase the number of parents in employment (reduce unemployment)
- To increase the number of parents in a household in employment (to move from one- to two- earner families)
- To increase the number of single parents in employment
- To increase the number of hours in employment, in particular by second-earners or single parents
- To increase the wages earned by those in low-paid jobs.

There have been two main policy instruments used to increase the number of parents (including single parents) in employment: changes to the benefit system and the introduction of active labor market programs (which have varying levels of rules, or "conditionality" attached). There is on-going pressure to reduce disincentives in the tax and benefit system for second earners to work. The Universal Credit, which has met some issues in implementation, has been designed to reduce marginal tax rates for those moving into work to encourage both parents to work more hours. There have also been continued calls for a living wage and/or an increase in the National Minimum Wage (NMW). However, the Child Poverty Unit, according to its Director, has "not been too active" in this area. Indeed, the policy response to this issue has been less consistent. Of continued concern is the "cost" of working and there has been a clear drive to improve access to quality childcare, including offering substantial subsidies to parents through the Universal Credit and making preschool hours available once a child turns two years old. With the General Election fast approaching, all three major parties are already mooting their childcare promises.

Historically in the UK the focus has been on supporting the transition into sustainable employment, getting parents working regularly. It is not as simple anymore. Half of children living in poverty are in working households – in the mid 1990s this number was 40 percent, and today it is 53 percent. This government, like its predecessor, has continued to focus on the best way to invest in adult skills, which has led to a substantial investment in apprenticeships. The best practice in this area tends to be found regionally rather than nationally.

There has been increased interest in ways to help working parents through alleviating the costs of utilities, credit and food, and in the south east of England to address housing costs which have become unaffordable for people on regular incomes and inaccessible for those on low incomes.

Relationship to Other Policy Efforts: Welfare and Education

The Director of the Child Poverty Unit has underlined the importance of having departmental sponsorship (from Education, Work and Pensions and the Treasury). However, he noted that the Unit's physical presence in the Department for Education sometimes made it more difficult to be seen as separate from their host and that it may make more sense to place such a cross-cutting Unit in a more central position – in the UK this would be the Cabinet Office.

He was very clear that the success of the Unit was highly dependent on understanding the governmental priorities of the day (currently economic growth) and working with Ministers to ensure that the child poverty

agenda was considered during policy-making. They provide advice and evidence as they have their own team of analysts. In trying to find the best fit between the child poverty perspective and existing/suggested policy there may be conflict which needs to be worked through.

A current example of this is that as the UK government seeks to increase the incentives to work, it is simultaneously toughening the sanctioning regime for benefits. This is likely to impact negatively on the children of claimants. The Child Poverty Unit has been heavily involved in assessing the best way to calibrate this in order to deliver a simple welfare system where the circumstances of children are not damaged by their parents' actions. As discussed earlier, there has been consistent concern expressed by experts outside the government that the welfare reforms currently being implemented are increasing child poverty.

As more and more government services are outsourced, so the way in which procurement occurs becomes increasingly important. The way in which public sector contracts are let is not currently a focus of the Child Poverty Unit but offer a way in which policy can directly translate into practice – for example through requiring a commitment to a living wage, or to flexibility around childcare.

The importance of quality childcare is a running theme both in the literature on the UKCPT and in more general concerns about the viability of improving in-work poverty. In many cases the focus of the analysis is on the needs of young children. The Department for Work and Pensions set up a taskforce to explore this in more detail in 2009, they felt nomenclature was important and that 'flexible working' had more appeal for employers and was more wide-ranging than 'family friendly'. Indeed Julia Unwin, CEO of the Joseph Rowntree Foundation has noted that the need to work with employers to introduce more quality part-time and flexible jobs as one of the four ways in which the 2020 UKCPT can be approached. In the case of the second second

3. Localizing the Target

History of Localization

Perfecting the relationship between a country-wide target designed by the UK Government, and the local strategies meant to support it on the ground is perhaps the most important element of collective success. How the child poverty target is interpreted and understood by local governments, particularly as the target

transfers from one UK Government to the next, should be considered with great thought and carefulness by outside observers. Both the United Kingdom and the United States share a classic tension between Federal, State and Local government. In both countries there is a delicate balance between the

How should local autonomy be navigated when a country-wide target is at stake?

Federal - State / UK - Nations partnership, and a strong desire for local autonomy.

The Labour Government announced the Child Poverty Target in 1999, and soon thereafter a Child Poverty Accord was agreed which committed the UK Government and local governments to work together toward the long-term target and several shorter-term goals. In 2005, the Labour Government reinforced its commitment in its annual policy statement on poverty and social exclusion. "Opportunity for All 2005" made clear the importance of local government's contribution to achieving this country-wide effort.

It was during this time period that the devolved Nations (Scotland, Wales and Northern Ireland) and the regional, city and local governments within those Nations engaged in an unprecedented amount of local analysis, data refinement, partnership-building, strategy development, and in some cases, a major overhaul and re-design of local service delivery systems.

A 2006 publication by the UK Local Government Association captures the tone of local governments 6 years into the child poverty target:

Local Government Association's Key Messages for the UK Government

Local Governments need:

- Fewer restrictive targets and instead, frameworks which allow more local flexibility;
- Time and resources to make full use of new national policy levers and opportunities offered by central government; and
- More certainty of long-term continuation of funding for innovative initiatives where there are clear and measureable benefits.

The Local Government Association's Key Actions for Local Government

- Local governments should collectively recognize that child poverty is a cross-cutting issue in which local authorities have a key role to play,
- Local governments should regularly review the full range of their services and activities to ensure that they are maximizing their contribution to tackling child poverty,
- The lead local elected official for Children and the Director of Children's Services should ensure that child poverty issues are mainstreamed across the local government area and in multi-agency partnership working, and
- Local partners should ensure that local economic planning is an opportunity to make real progress in reducing child poverty.²²

As one of its final legislative actions, the Labour Government passed the Child Poverty Act of 2010, which placed new duties on local governments and other "delivery partners" in England to work together to tackle child poverty.²³

A Change in Approach

With the 2010 election of the Conservative Coalition Government came a distinctly different relationship between central and local governments generally. The Coalition's philosophy promises devolved decision-making for funding and more localized design for public services. Specifically, the approach is to "give local governments more power to decide how to spend public money in their areas so they can meet local people's needs. At the same time, the Central Government is helping to make sure local taxpayers get value for money by making local governments more transparent and accountable."²⁴

The current Director of the UK Child Poverty Unit interprets the Conservative Coalition's governing principle through the child poverty lens. "The best way of ensuring local strategies are implemented is NOT to organize a team of monitors. We must recognize the local electorate and local priorities, therefore the Child Poverty Unit has no monitoring function in relationship to local government."

The shift in the relationship between central and local government has not gone unnoticed by poverty reduction advocates. It has been described by the Child Poverty Action Group as the "you're on your own" approach to local governments, a weakening of the national and local coordination on the target. Their analysis of the Child Poverty Strategy 2014 – 2017 sees the strategy as coming up short on national poverty reduction policies and as a result, carries with a warning for local elected officials: "Local Councillors therefore should prepare for higher child poverty rates and the consequences this will have on the local economy and local services, including schools, children's services and the National Health Service." 25

The Role of Civil Society

The role of "civil society" organizations, or nonprofit organizations with a remit for service delivery, advocacy or technical assistance, are seen to have an increasing role in the relationship with local governments and in their contribution to the UK-wide target.

A recent review commissioned by the All Party Parliamentary Group on Poverty (APPG on Poverty) considers the role of civil society initiatives and Fairness Commissions. Based on the premise that the State alone cannot address the scale of poverty faced by local communities, the research spells out the potential for "wider society – business, voluntary, faith and community groups, trade unions, individuals and government." The report also reflects on the complexity and tensions that arise from relying solely on local interventions and action, and emphasizes the need to work co-operatively, especially in the absence of clear lines of responsibility and accountability.²⁶

The Nature of Local Strategies

There is a substantial amount of local strategy development in the UK, from which we can conclude that most local strategies contain the following elements:

- A needs assessment and baseline statement on the poverty "starting point." This usually
 includes a review of the labor market, local family services, health services, transportation and school
 outcomes.²⁷
- Establishment of a local Child Poverty Commission, with a wideranging partnership (see for example, the Liverpool City Region).
- A draft 3-year strategy, authored by local government, including targets deemed as contributors to
 the national target and strategy, and locally determined timelines for target achievement. Strategies
 tend to be designed to cover two main themes: income maximization (via employment and/or tax
 credits and benefits), and life chances (improvements in education, health and other social
 indicators).
- Consultation on the draft strategy, with requests for feedback from local delivery partners, local philanthropy, business leaders, law enforcement, school systems, health systems, economic development, non-profit organizations and service providers.
- **Publication of the final strategy** and agreement from all relevant local parties, sometimes in the form of a written accord or shared joint statement.
- Publication of an accompanying action / delivery plan, with detailed responsibility assigned to and agreed by respective local agencies, nonprofit organizations, etc.
- A plan for evaluation of the strategy, with details on data to be collected and trends to be identified across the local authority's geographical area, program and behavioral changes to be observed.
- Co-ordination with and feedback to the UK Government, to ensure the requirement from the Child Poverty Act 2010 has been met. The nature of this conversation has changed over the years, however most local authorities report a desire to work closely with the national government to contribute to the national target.
- A strategy re-fresh, again, in consultation with the local Child Poverty Commission and guided by trends identified from the local evidence base.

Post-Recession: Cities, Economic Growth and Poverty

The conceptual framework for the shift toward local governments' development and stewardship of local child poverty strategies is slowly becoming linked to local aspirations for economic growth. However, a span

of recent research on "Cities, Growth and Poverty" is showing that stronger economic growth does not automatically achieve a reduction in local poverty rates for UK cities. Research by the Joseph Rowntree Foundation demonstrates that UK cities with the highest rates of economic growth on a number of indicators (employment, gross value-add, etc.) show

Stronger economic growth does not automatically achieve a reduction in local poverty rates

only average or below average reductions in their local poverty rates. This is worrying for the next 6 years of the child poverty target, and prompts the question: How can cities as "drivers of growth" be pro-active "drivers of poverty reduction" as well?

The research makes these recommendations to local areas:

- "Growth" and "poverty reduction" should be viewed as the same local agenda, by adopting a principle of equitable economic growth, City leadership and vision are important factors in doing this.
- Skills funding should be responsible to local employer needs to ensure residents have the right training and opportunities to access local employment opportunities.
- City policy-makers should develop a local living wage to improve wages for local low-paid people. Strategic public procurement of local government services can also support better labor market and social outcomes.
- Costs of living can be addressed at city level, as high housing costs can, and often do, cancel out the employment and wage benefits of living in an economically successful city.
- **Better transport policy** can help to link residents to economic opportunities, health, education and other public services.²⁸

Nations: Scotland's Success

As one of the UK's 4 Nations, Scotland demonstrates both cooperation with the UK Government on the UK Child Poverty Target, and an independent direction on reaching the goal. There is a constitutional understanding that child poverty in Scotland is affected by a mix of "reserved" policy measures (the jurisdiction of the UK Parliament) and "devolved" policy measures (the jurisdiction of the Scottish Parliament).

In 1999, at the launch of Scotland's Social Justice Strategy, the Scottish Parliament and Scottish Executive (as it was known at the time) pledged to "make child poverty a thing of the past within a generation." Subsequent Scottish Governments have reiterated this commitment to eliminate child poverty in Scotland by 2020, reflecting the UK Government's goal for the whole of the UK.²⁹

Scotland welcomed the Blair Administration's target in 1999 and was the only one of the UK's 4 Nations to reach the first quarterly goal to reduce child poverty by 25 percent by 2004/05. Over the past decade, the decreases in child poverty in Scotland have been greater than those seen in the rest of the UK.

According to national statistics and Scottish Government reporting, the most significant reductions took place between 2001/02 and 2004/05, with much of this reduction having been driven by increased state support, such as the introduction of Child Tax Credits and Working Tax Credits in 2003.

Much of the decrease in child poverty over the longer-term period between 2001/02 and 2011/12 was due to a fall in the poverty rate among lone parent families as they moved into employment. Scotland has also seen a decrease in child poverty among coupled parents. This was partly due to an increase in full employment where both adults are in work, with at least one in full-time employment. Child poverty in families where no adults are in employment remains high.



Figure 3: Child Poverty in Scotland 1998/99 to 2012-13

The Child Poverty Act 2010 strengthened the reporting arrangements between the UK Government and the Nations. The current relationship between the UK Government and the Scottish responsibility for child poverty, can be summarized in a direct quote from the "Annual Report for the Child Poverty Strategy for Scotland, 2014:"³⁰

"The Child Poverty Act 2010 requires that the UK Government produce a UK-wide Child Poverty Strategy and report on it annually. This will be relevant to tackling child poverty in Scotland in so far as it covers reserved policy measures which apply to, and impact on, Scotland, such as policy on personal taxation and benefits. The Act also requires Scottish Ministers to produce a Scottish Strategy, review and revise it every three years, and report annually. This Strategy must focus on policy matters that are devolved to the Scottish Parliament and Scottish Ministers."

The Scottish Government is concerned about the slight uptick in poverty in the past two years:

- The percentage of children in relative poverty (before housing costs) increased from 15 percent to 19 percent in 2012/13.
- The percentage of children in absolute poverty (before housing costs) increased from 17 percent to 20 percent in 2012/13.
- The percentage of children in combined material deprivation and low income increased from 9 percent to 11 percent in 2012/13.

The Scottish Government can account for the trend: In 2012/13, median household income in Scotland fell for the third consecutive year, and to its lowest level since 2002/03. This was affected by changes in hours

worked, low wage growth, changes in the labor market, behavioral changes in response to tightening eligibility and conditionality under welfare reform, and behavioral changes in response to the increase in the personal tax allowance.³¹

In reply, the Scottish Parliament has been critical of the welfare and benefit reform policies of the UK Government, noting that UK reforms mean that fewer Scottish families, especially those in employment, are in receipt of in-work benefits and tax credits.

At the onset of the UK Government's "austerity" measures, Scottish Nationalist leaders pointed to "deep and damaging cuts to benefits and services that will impact on some of the most vulnerable people in Scotland." Scotland has therefore passed its own legislation "which will enable us to maintain successful policies in Scotland which are linked to the UK benefits system." How this plays out is yet to be determined.³²

Cities: The Liverpool City Region's "Child Poverty and Life Chances Strategy"



The Liverpool City Region's local strategy is an impressive example in that one of its long-standing local Members of Parliament, Frank Field,³³ is the Chair of the Liverpool Child Poverty and Life Chances Commission.³⁴

The strategy covers the 6 boroughs of the City Region: Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral, with a collective population of 1.5 million people.

The Liverpool City Region Child Poverty and Life Chances Commission is an impressive partnership who meet quarterly to review data and progress toward the target, and to ensure the strategy's implementation plans are unfolding according to schedule. The shared statement of Commission members sets the tone for the 2020 goal:

"Working together as City Region partners we will reduce child and family poverty and maximize opportunities for children and young people in their life chances. We will achieve this through a dual strategy which ensures an ever-growing proportion of children and young people are ready for school and life whilst maximizing family resources."

The Liverpool Strategy is a two-pronged approach that combines short-term strategies for maximizing income, with a longer-term vision for improving children's chances for education, health, financial stability and inclusion over the life span.^{35,36}

Aim 1: To improve the life chances of children and young people	Aim 2: To maximize family income	
Our key actions are to:	Our key actions are to:	
1. Support effective parenting and give	1. Improve access to financial services and	
improvements in foundation years services	support families to make good financial	
	decisions	
2. Enhance children's social and emotional	2. Optimize employment opportunities by	
development and reduce gaps in	removing barriers to good quality and	
educational achievement	sustainable employment	
3. Promote prevention and early intervention	3. Support parents to progress in the	
approaches to reduce health inequalities	workplace	
4. Influence an improvement in the quality of		
place and support strong communities		

4. The Next 6 Years

The stage is set for the remaining 6 years of the target. Between now and the target's 2020 end-date, these are the themes to watch:

The 2015 General Election

The next 6 years will be challenging ones for the UK child poverty agenda. There is a General Election this May and interestingly, both major parties are in agreement about the need for increasing the rules attached to receiving benefits without clearly articulating how any negative impacts will be mitigated for the children in these households.

The recession, and resulting wage dips and stagnation have shifted the political argument toward a discussion of the "cost of living." There is considerable disagreement about the way in which this should be tackled – through mandating the raising of wages (higher minimum wage/living wage³⁷); through subsidies akin to the EITC; through investment in adult skills; through tackling areas of household expense (such as housing, fuel, childcare) – or a combination of all of the above. The economy is still in recovery and while there has been a minimal shift to economic growth, there has not been a return to the confidence in the economy felt when the target was originally introduced.

It is likely there will be increasing demands from policy advocates on both sides of the political spectrum for governing parties on both ends of the spectrum to demonstrate both long- and short-term strategies, and indeed how these can complement each other.

The Endurance of the Child Poverty Target

Despite this uncertainty, what is clear is that whoever is in power for the second half of this decade will be committed to the child poverty target. The ruling political party may decide on different strategies to those taken previously, but those approaches will need to be justified, both internally to the Child Poverty Unit, and externally to the media and the public, in terms of their impact on the percentage of children in poverty. In short, there is no appetite across the political spectrum to lead a public or parliamentary campaign to reverse the Child Poverty Act 2010.

Richard Cienciala commented on the important role that NGOs play in terms of ensuring that successive governments are kept accountable to this commitment. This role was formalized by the creation, in 2003, of the End Child Poverty Coalition, which brought together advocacy and delivery organizations and committed

them to eliminating child poverty by 2020. This coalition has had an important role to play in keeping the issue alive in the minds of both the public and politicians.

Public Attitudes

There has been a considerable shift in attitudes to welfare in the UK. Recent research commissioned by the Joseph Rowntree Foundation found attitudes towards people in poverty to be increasingly unsympathetic. This applied to children as well as adults. Two-thirds (66 percent) of the public identify an explanation for child poverty that relates to the characteristics and behavior of parents, compared to the 28 percent who say it is down to broader social issues.³⁸ The discussion about "responsibility" has been echoed in the debate over how much change can be brought about by policy design and how much is dependent on less controllable elements such as the global economy. The presence of the target has meant that media coverage, policy advocates of all persuasions and the public are regularly reminded of changing child-poverty levels, regardless of how they view that change.

Public attitudes on poverty are, of course, of concern to elected officials at every level of government. First Focus took the opportunity to explore this in an interview with Kate Green OBE, Member of Parliament, Shadow Minister of State for Equalities and former Chief Executive of the Child Poverty Action Group. Ms. Green provided the following answer to the question "How do you get the public on board to support a child poverty target?"

"You don't. In fact, you can't. You do it, and you lead by example."

Independence, Devolution and Localism

The next 6 years will see increased attention to the demands by the Nations of the United Kingdom (Scotland, Wales, Northern Ireland and perhaps England itself), for greater local autonomy on UK-wide policies that affect the 4 Nations' economic concerns. This period may see a series of hard-won agreements between the Nations and the Parliament at Westminster, with the poverty rates and more general questions about inequality playing a central role.

The Referendum on Scottish Independence held on September 18, 2014, brought these issues to the international spotlight. The final vote of 55 percent (NO) to 45 percent (YES) fell short of a Scottish departure from the UK, but speaks to the considerable amount of Scottish displeasure with UK Government policies. Appealing to the purse, the key question posed to Scottish voters by the winning "NO" campaign was: "Will you be better off (financially) if Scotland is independent?"

Prime Minister David Cameron helped ensure the outcome by promising the UK Government in London — one of the most powerful among Western nations — would hand over more autonomy to Scotland if voters chose to stay in the union. These powers include much greater control over spending and taxes, essentially "home rule" on all matters but for national security and monetary policy. "Scotland will expect these pledges to be honored in rapid course," was the reply from Scotland's First Minister.³⁹

The Labour Party is taking this pivotal moment to pledge that the UK minimum wage would rise to £8 (currently \$12.82 USD) an hour over the course of the next Parliament if Labour wins the General Election. The rate is recommended by the Low Pay Commission, overseen by the current Secretary of Business, Vince Cable.⁴0

The concessions to Scotland open the door to the other Nations of England, Wales and Northern Ireland, who may now seek more powers to manage their own affairs. This makes for a complicated mix of new policy development combined with more constitutional freedom.

As for local governments, it is not yet clear how local child poverty strategies and local targets will make their contribution to the whole. At the writing of this report, several local governments are revising their strategies with little to no coordination with UK Government officials. There is concern amongst commentators and analysts that this "hands-off" style of devolution, whether mutual or one-sided, will cause a "Swiss cheese effect" to the country-wide child poverty target.

5. Transferable Themes for the United States

This review asks from a US perspective, what are the key principles and transferable themes that guide a successful national target to eradicate child poverty?

We turn first to the Joseph Rowntree Foundation's collection of evidence on poverty reduction strategies, which includes an international review of strategies in North America, Brazil, the United Kingdom and Europe.⁴¹

What makes a strategy more likely to succeed?

- There was no single example of a strategy that addressed all the problems of poverty, but we found that several things can increase the chances of success.
- Political commitment: the most effective strategies all had commitment at a high level, from both politicians and civil servants. This gave impetus and leadership to the strategy.
- Responsibility and accountability: in some of the strategies we reviewed, the lines of accountability for delivery were not clear. These were often the less successful strategies.
- Links to economic policy: if anti-poverty strategies are to have real purchase they must be developed alongside economic policy.
- Institutional arrangements: the creation of dedicated institutions or systems of governance helps the development process. They also offer some security against changes in political leadership.
- Co-ordination (the all-government approach): the multifaceted nature of poverty means that tackling it requires high levels of co-ordination across government.
- Implementation: the development of a strategy means very little if it is not put into practice.
- There remains a gap between what is often committed to in strategy documents and what is delivered. Often gaps emerged when moving from the national picture to local delivery.
- The involvement of external stakeholders: these are a vital source of information and should also be involved in implementing the strategy.
- An effective system of monitoring and review: measuring results is crucial to maintain momentum and ensure various parts of governments are meeting their objectives.

Recommendations from UK Experts

National policy & research expert: Tony Wilson, Policy Director, Centre for Economic & Social Inclusion, London

"Make an effort to learn from countries with sustainably low poverty rates and invest in the things that enable those at risk of poverty to raise their incomes. This means prioritising affordable and accessible childcare; incentivising or requiring workplaces to better support people with health conditions and impairments; incentivising or requiring greater investment in skills development among low-paid workers; developing strategies to support low-paid workers to achieve a living wage; providing intensive and personalized support for those who are out of work to return to work; increasing financial support for those on the lowest

incomes; and alongside this, increasing the requirements on those who are able to work to then take up the support available and move into work."

National policy & research expert: Chris Goulden, Head of Team (Poverty), Joseeph Rowntree Foundation, York

"Our advice is to ensure that a credible, costed, cross-political and comprehensive plan to achieve the target is set out alongside the target itself. A target alone is insufficient to drive the systemic change needed to reduce poverty."

Local expert: Karen Grunhut, City of Swansea, Wales (City Council)

"Based on the experience of the City of Swansea, I suggest that in order to secure meaningful change at a local government level any national legislation around tackling child poverty needs to be understood and championed by both the senior official and senior politician within the local government. Policies need to look beyond the individual agency of those suffering the effects of poverty and include a focus on the structural barriers imposed by systems and organisations that trap people into a life of poverty. A significant shift in culture here in Swansea has been the move away from a deficit model that looks at what is wrong in a community to an assets- based approach to building community resilience and enhancing the strengths of individuals and communities. National legislation needs to allow the flexibility for this to take place."

Local expert: Paul Hayes, City of Wakefield, England (City Council)

"The requirement on public agencies to address child poverty as outlined in the Child Poverty Act must accompany the target. Even if the target is not possible to meet in a volatile economy, the duty of all local governments to produce "needs assessments" has spurred us to embed child poverty goals into local policies. This has considerably raised the profile of the issue locally and has encouraged innovation at the local level. Historically UK local government has focused on mitigating the impacts of child poverty – primarily through social care services – and not tackling root causes. A requirement to cooperate to tackle child poverty amongst all public agencies is key to addressing this gap."

Recommendations from the Authors

The evidence in this report draws on transferable themes specifically from the United Kingdom to guide the United States in the development of a successful target and strategy. The themes below complement the Joseph Rowntree Foundation's international recommendations for success. They are:

A national child poverty target and timeline as the goal for a national strategy. A target and timeline will drive a lasting focus on poverty as a national concern. A target placed in law has the potential to transcend political differences, demonstrates government and community commitment to a national effort, and provides advocacy groups and media with a "yardstick" for accountability and national performance. It is also flexible, experience in the UK has shown that two different governments with different approaches and priorities have been able to operate within the target, and be held accountable to it.

The US will want to consider whether and how a legally binding commitment can be agreed and committed to, ensuring accountability throughout changes of government.

An independent analytical unit to manage the target. The target requires a degree of management by a small, high-profile, cross-departmental entity akin to the UK Child Poverty Unit.

The United States will want to create an entity to carry out the essential functions of independent policy management and performance analysis. The US will need to consider where this will be situated physically, and how departmental sponsorship can ensure that it sits at the nexus of policy making — a fundamental component rather than a distant add-on.

Links to employment and broader economic policy. The period of greatest reduction in child poverty coincided with a period of strong economic growth and a broader economic target of 80 percent full employment. More recent years are characterized by slow emergence from recession and a focus on longer-term policies linked to behavioral change. UK analysts have not yet reported a positive impact on poverty rates for more recent years.

The United States will want to develop a narrative that intentionally pins child poverty to a national plan for economic growth, and clearly articulate how it intersects with, and impacts on, other policy areas.

A combination of "short" and "long-term" policies. Based on the UK Child Poverty Unit's independent analysis, UK policy leads recommend a combination of short- and long-term policies to achieve the target. The target can be used purposefully to drive the design of policies in education, workforce development, health, etc.

The United States will want to consider how to impact poverty both immediately and 20 years from now. This will require identification of accountability measures for policies focusing on long-term, potentially less tangible change (for example, in education) as well as the metrics to be used in the target. There needs to be clarity about the data to be collected and used for measurement, and consideration given to the impact that articulating and setting targets will in itself have, including the creation of perverse incentives.

Policies that make an impact. Looking at 14 years of the UK experience, we can say that the periods of the greatest reduction in child poverty correspond with the implementation of certain policies. These are: the implementation of SureStart (similar in design to the US Head Start Program), Working Tax Credits (similar in design to the US Earned Income Tax Credit), employment rate targets for single parents that were accompanied by a well-resourced active labor market program, an increased minimum wage and child support reforms.

The United States will want to decide which existing proven strategies have a continued likelihood of success, and where the gaps are that require policy innovation and/or policy transfer.

A cohesive and co-operative Federal, State, and Local partnership. The UK experience shows the period of greatest decline in child poverty corresponds with a close working relationship between UK Government, National governments and local governments. This first took place under a signed "accord" to work in partnership toward the country-wide target, and later under the Child Poverty Act 2010 with timely strategies and reporting dates. Getting this right is essential for a country as large and devolved as the United States.

The US will want to develop an economic model that accounts for State and Local government "contributions" toward a national target, and how to maintain this over time. This is particularly important for the devolved nature of policy development and policy implementation in the United States.

Annex 1: Local Child Poverty Strategies from the United Kingdom

From its inception in 1999, the UK Child Poverty Target launched a new wave of analysis, political awareness, and strategy development at the local level. Listed here are examples of recent work – no earlier than 2011 – that continues to be driven by local stewardship of the national target and the Child Poverty Act of 2010.

Nations

- Scotland. The Child Poverty Strategy for Scotland 2014 2017
- Wales. The Child Poverty Strategy for Wales and the Strategy Evaluation
- Northern Ireland. <u>Improving Children's Life Chances: Northern Ireland's Child Poverty Strategy</u> (with a particular emphasis on "rural proofing")

Large Cities and City Boroughs

- Birmingham. <u>Birmingham Labour Child Poverty Review 2014</u> (a joint effort between national elected officials and local city government)
- London. Children in Poverty Update, January 2013, GLA Intelligence
- London Borough of Ealing. Child Poverty Strategy for Ealing and the Child Poverty Toolkit
- London Borough of Islington. <u>The Child Poverty Needs Assessment</u> and <u>Fairness for Families: Tackling Child Poverty in Islington</u>
- London Borough of Lambeth. Lambeth Child Poverty Reduction Strategy 2011 2014
- Liverpool City Region. The Liverpool City Region Child Poverty and Life Chances Strategy 2011 1014
- Manchester. The Manchester City Council's Family Poverty Strategy 2012 2015
- Swansea (Wales). Swansea Council's Poverty and Prevention Service

Smaller Cities, Counties and Local Areas

- Central Bedfordshire Council. <u>From Poverty to Prosperity: A Strategy to Reduce Poverty and Alleviate its Effects in Central Bedfordshire</u>
- City of Bradford. Bradford District's Child Poverty Strategy 2011 2014
- Cornwall Council. <u>Children in Poverty in Cornwall</u>, which also includes the views of children and young people via the <u>Young People's Manifesto 2011</u>
- Coventry City Council. Child Poverty Infographics, Visualisations, Council Plan and Strategic Partnership
- Cumbria County Council. <u>Anti-Poverty Strategy 2014 2017</u>
- Derry City Council (Northern Ireland). Child Poverty and Multiple Deprivation

- Haringey Council. Child Poverty Strategy 2013 2015
- Kent County Council. A Child Poverty Strategy for Kent
- Leicester City Council. <u>Leicester City's Child Poverty Commission Recommendations</u>, Chaired by Mayor Rory <u>Palmer</u>
- Plymouth City Council. Child Poverty Maters: Our Child Poverty Definition, Strategy and Action Plan
- Renfrewshire (Scotland). <u>Tackling Poverty in Renfrewshire</u>
- Sheffield City Council. <u>Tackling Poverty and Increasing Social Justice</u>
- Stockport Council. The Stockport Children's Trust Child Poverty Strategy 2011 2014
- Sunderland City Council. Child and Family Poverty Needs Assessment and Strategy
- Warwickshire County Council. Warwickshire County's Needs Assessment and Child Poverty Strategy 2011
- York City Council. City of York Child Poverty Strategy 2011 2020

Annex 2: Wakefield's CP Statement

An Equal Chance for Every Child Wakefield District Child Poverty Statement

INTRODUCTION

This Child Poverty Statement has been developed as part of our Children and Young People's Plan and is underpinned by the Wakefield District artnership Pledges to:

- Create job opportunities, raise skill levels and help local people into employment;
- Meet the housing needs of the district;
- Reduce health inequalities between different parts of the district;
- Create a better quality environment

The commitments set out in this statement take account of the key issues for the Wakefield District, the Child Poverty Needs Assessment 2011 and the Children and Young People's Joint Strategic Needs Assessment 2010. Most importantly the plan takes into account what our communities including our children and young people say

about poverty both in terms of impact and actions. We recognize that tackling child poverty requires us to look beyond the child and address all of the factors which influence a family's well-being, opportunities and outcomes. This means bringing

together children's services, schools, health, transport, housing and economic regeneration so that we can address all of the causes and consequences of child poverty.

Addressing child poverty is the responsibility of all partners, not just those who have traditionally focused on children and young people. By working together we will reduce the impact of poverty, increase life chances and break the cycle of poverty that has blighted our families and communities for far too long

Priority 1 Education & Health Poverty in childhood does Families are in not translate to work that pays poor experience and can and outcomes progress Child's Families and communities are environment supports them positive about the future and to thrive Priority 3 Priority 4 can flourish Families & Housing &

Tackling income poverty and material deprivation is a central aspect of promoting fairness and equal opportunity. The Child Poverty Act 2010 emphasises that breaking the cycle of poverty requires actions across a number of areas:

- Strengthening families and parenting:
- Reducing the impact of debt
- Improving educational attainment so more of our young people are able to progress in their education, enter employment or training;
- Reducing worklessness;
- Improving health where this is contributing to poverty: and
- Aspiration and cultural change.

We recognise that there are already a number of programmes of work that will help us to tackle child poverty. The aim is not replicate these programmes but rather to think of what we can do now, differently or better that will make a difference.

VISION

Priority 2 Adult Skills, Employment & Income

Communities

To reduce the burden of child poverty for current and future generations through the collective efforts of all our partners.

AIMS

Our key strategic aims are to: Maximise household resources and reduce the pressure on household

budgets for low income families; Improve children's wellbeing and life chances by breaking the inter-generational cycles of

poverty, inequality and

deprivation.

Levels of child poverty in Wakefield are higher than the regional and national average. A child who grows up in poverty faces greater risk of poor health, poor attainment and failing to reach their potential. They are also more likely to be taken into the care of the Local Authority.

Environment

When children and families experience poverty and deprivation they have a standard of living that is well below average and which most people would consider unacceptable in Britain today.

In the Wakefield District over 15000 children are living in poverty. This means that one in five children grow up in households where there is not enough money to keep warn in the winter, to eat healthy, to travel, see friends and to take part in school activities.

Poverty can have a long term grip on families and communities holding them back generation after generation. If we do nothing over 25 percent of our children will be living in poverty by 2020.

The statement has been shared with a range of partners including children and young people. The priorities and Outcomes were tested at a partnership event in January 2012. Participants also contributed to the actions identified under each priority.

PRIORITIES

In order to deliver our aims we have identified four priorities. Each priority has a clear outcome and a rationale for why it is important in the Wakefield District.

Partners who attended the child poverty event and subsequent consultations sessions were asked to come up with specific commitments for each priority. These are now underpinned by four supporting commitments.

These themes were also raised at the Wakefield District Poverty and Prosperity Commission event in early 2012.

The proposed commitment are without exception things that we can do now or that we can ask the partnership to consider.

The Four Supporting Commitments

Include poverty as a protective characteristic in all our policies and plans

Have aspirations for all our people and places

Challenge stigma and discrimination against children and families from poorer backgrounds

Use localism powers for local solutions

Annex 3: UK National Minimum Wage Rates & US Conversion

Date	UK Adult Rate	Exchange Rate	US Contemporary Equivalent
Jan 1999	3.60	1.634	5.88
Jan 2000	3.70	1.616	5.98
Jan 2001	4.10	1.493	6.12
Jan 2002	4.20	1.455	6.11
Jan 2003	4.50	1.610	7.25
Jan 2004	4.85	1.786	8.66
Jan 2005	5.05	1.919	9.69
Jan 2006	5.35	1.720	9.20
Jan 2007	5.52	1.959	10.81
Jan 2008	5.73	1.986	11.40
Jan 2009	5.80	1.449	8.40
Jan 2010	5.93	1.617	9.59
Jan 2011	6.08	1.561	9.49
Jan 2012	6.19	1.552	9.61
Jan 2013	6.31	1.626	10.26
Jan 2014	6.50	1.656	10.76
Labour Party pledge & Low Pay Commission recommendation by Jan 2020	8.00	1.602	12.82

^{*}Does not account for relative country purchasing power, relative cost of living, or other relative wage factors.

Annex 4: Question Schedule for the UK Child Poverty Unit

- 1. How important is it that this Unit is sponsored by 3 national government departments Department for Education, Department for Work and Pensions, and Her Majesty's Treasury?
- 2. How does the co-ordination between the departments work? Can you tell us more about the ways cross-cutting strategies develop in terms of process?
- 3. Do you think Health should have also been a sponsor/what relationship will the Unit have the Dept of Health?
- 4. During consultation on strategy, concern was raised that there were insufficient accountability mechanisms. Do you think this is fair?
- 5. Most experts/commentators on child poverty agree that parental work is key. Do you subscribe to this view?
 - a. In what ways can the Unit encourage employers to support more family-friendly working?

- b. How does the campaign for a living wage fit with the strategy?
- c. Will you review ease with which parents can improve skills to increase access to higher paid jobs?
- d. Does the Unit have a role to influence Government as a) an employer and b) a procurer of services in terms of wages/terms and conditions of both direct and sub-contracted workforce?
- e. How does the Unit intersect with the UK Department for Business, Innovation and Skills to achieve these goals?
- 6. Do you think the current strategy takes sufficient account of the impact of welfare reform?
- 7. With social mobility stalling, to what degree is/should the Unit be focused on long-term outcomes (for example, preventing children being poor in adulthood) and to what extent on short-term outcomes (reducing child poverty rate over the next 3 years)? Do these goals need different approaches?
- 8. What role do you see housing and cost of housing (particularly in London) playing in the anti-poverty agenda? How will you tackle this issue?
- 9. We understand that under the Child Poverty Act, poverty and progress toward the target must be monitored and measured regardless of the party in power. Can you speak to the challenges this presents? We are particularly interested in the "transferability" of the target and the poverty definition from one governing party to the next.
- 10. The role of the All Party Parliamentary Group (APPG) on Poverty is one aspect of the child poverty discourse that is of interest to Members of the US Congress. How does this group inform or otherwise affect the measurement, or the design and delivery of the strategy?
- 11. Given the very devolved nature of the United States, we are considering how the Child Poverty Strategy "interacts" with local governments and/or city regions. This is particularly important for the transferability to US States. The Child Poverty Act "places a duty on all local governments to assess child poverty and deprivation and devise strategies for local action."
 - FOR LOCAL GOVERNMENTS: How was this organized by Government, was it done in partnership with the Local Government Association, what is/was the timeframe for the assessments?
 - FOR THE NATIONS: Can you share how the relationship with Scotland, Wales and Northern Ireland has evolved throughout the lifetime of the target, and what is the current and future arrangement for working with the nations?
- 12. What can be said generally about the local child poverty strategies you have seen to date? Are you noticing any overarching trends among the plans developed by local authorities?
- 13. Can you recommend local strategies that are particularly progressive or innovative from your point of view? Is there enough evidence for a "top 10 list" of local governments that have demonstrated success in reducing child poverty?
- 14. Finally, if you could go back to the original announcement of the target, what if anything, would you change, or what would you have preferred was done differently?

About the Authors

Natalie Branosky is Chief Executive of InclusionUS, the Centre for Economic & Social Inclusion's



Washington, DC-based affiliate. Natalie has a background in welfare reform, having worked for the US House of Representatives Ways and Means Committee and Congressman Pete Stark during the 1996 reform debate. She went on to work for Prime Minister Tony Blair's Cabinet Minister for Employment and Welfare Reform.

Natalie was Senior Advisor at Inclusion in London during the Blair and Brown Premierships. There she coordinated "City Strategies" among 10 UK cities who designed long-term improvement targets for employment, skills, income and child poverty. She has also held a research post at the Dutch Council on Work and Income, to assess how national policy prevents the occurrence of in-work poverty in that country.

Natalie was Senior Advisor to the British Ambassador to the United States in Washington, DC during the major economic and social policy changes that took place during the transition to the Obama Administration and the Coalition Government in the UK. This coincided with a one-year appointment to the UK Ambassador for Philanthropy.

Over the years, she has contributed to welfare and poverty policy in Australia, New Zealand, Italy, France, Spain, the United Kingdom, the Netherlands and Canada. As a result of these connections, InclusionUS engages US delegations in several international study visits per year, to spur innovative policy ideas amongst elected officials and practitioners.

Natalie has dual citizenship in the US and the UK, and splits her time between Washington, DC and London. She has an MSc in Employment Policy from the University of Edinburgh, a joint BA in Political Science and Communication from Rutgers University in New Jersey, and a Certificate in Criminology from the Rutgers University School of Social Work.

Jane Mansour is a Senior Advisor with Inclusion US. She has a rich combination of international operational



and policy experience in the anti-poverty field. In addition to working with First Focus on this report, recent projects include the development of an international framework for active labor market program implementation and an assessment of workforce development opportunities in Minnesota. She also works as a consultant to the World Bank, currently on two projects for the Saudi Arabia team. Last year she designed an improved process to support benefit claimants' transition into work for the Seychelles government. She is a member of the Gerson Lehrman Group, an international knowledge brokerage firm.

She has worked closely with a variety of non- and for profit organizations, academics, policy makers and experts to help inform and stimulate the policy debate. Her expertise is in translating policy goals, such as the UK Child Poverty

Target, into practical, deliverable interventions.

With a particular interest in sustainable employment outcomes for those most disadvantaged in the labor market, her areas of expertise include: improving sustainability of employment outcomes; localizing national initiatives; impacts of work on the family; flexible working; improving integration between skills and work; progression in work; funding and incentives for providers; choice and voice in welfare reform; the effective procurement of outsourced employment services and performance measurement.

Jane has been involved in welfare-to-work for fifteen years in the US, UK and Australia, in research, policy and operational capacities for both private and not-for-profit organizations. This has included the implementation, delivery and management of welfare-to-work programs and developing new national service delivery models. She was the founder and Director of the Ingeus Centre for Policy and Research, a think tank embedded within a welfare-to-work delivery organization. Prior to joining Ingeus, she was a Senior Policy and Research Manager at Inclusion UK.

She has a Research Masters in Public Policy from Birkbeck College, University of London and a Masters in English Literature from the University of Edinburgh, Scotland.

References

- ¹ Child Poverty Act 2010: A Short Guide, House of Commons Library, Standard Note SN/SP/5585, 4 July 2014, Steven Kennedy, Social Policy Section.
- ² See more on the All Party Parliamentary Group on Poverty
- ³ As in the US the cost of housing in the UK varies significantly from area to area. Housing costs are at their highest in London and the South East of England. Many people living in poverty receive housing benefit (welfare support). If the cost of housing is not taken into consideration the income of these families (from both employment and welfare) looks considerably higher than it is.
- ⁴ Prepared by the Centre for Economic & Social Inclusion (London) using the European Commission's Eurostat Statistics Database and UK Parliaments records.
- ⁵ The World Bank, GDP Growth (Annual Percentage), based on World Bank National Accounts data and OECD National Accounts data file.
- ⁶ GDP growth for the UK and US are nearly identical for this time period: UK at 3.21 percent average over the 7 years, US at 3.23 percent average over the 7 years.
- ⁷ These periods correspond with other policies that would influence child poverty including but not limited to: National Minimum Wage, National Health Service, statutory maternity leave; statutory paternity leave; the right to request flexible working; dependents and urgent personal leave; tax credits and vouchers for childcare; free school lunches for 4-7 year olds (universal from Sept 2014); child benefit (no longer universal from 2012); free nursery/pre-school 15 hours per week for 3 yrs+; Healthy Start free milk, fruit, veg, vitamins.
- 8 Smeeding, Tim and Waldfogel, Jane. Prepared for the First Focus brief "A National Child Poverty Target," November 2014, Washington, DC.
- ⁹ See Annex 3 for a comparison of UK and US minimum wage rates from 1999 present.
- ¹⁰ Child Poverty in the UK since 1998-99: Lessons from the Past Decade Mike Brewer, James Browne, Robert Joyce and Luke Sibieta, Institute for Fiscal Studies, October 2010.
- ¹¹ In 2009, <u>IFS</u> researchers estimated that reducing child poverty to 10 percent would cost at least £19 billion per year (in current prices), or \$30.5 billion USD by 2020.
- ¹² By Mike Brewer, James Browne, and Robert Joyce. IFS Commentary C121, Institute for Fiscal Studies, London, October 2011.
- ¹³ The Coalition Government has been cutting benefits as part of "austerity" policy since their election in 2010. This is discussed in more detail in the following section.
- ¹⁴ "Children and Working-Age Poverty in Northern Ireland from 2010 2020." James Browne, Andrew Hood, and Robert Joyce. Institute for Fiscal Studies, Report R78, 2013.
- ¹⁵ See for example, <u>Summary of OXFAM response to UK Government Measuring Child Poverty consultation.</u> Oxfam, February 2013. ¹⁶ "<u>Child Poverty: A Draft Strategy for 2014 - 2017,"</u> published by the UK Department for Education and the UK Department for Work and Pensions. Currently under consultation, part of the broad policy theme "Helping to Reduce Poverty and Improve Social Justice," May 2014.
- ¹⁷ See for example, <u>Child Poverty Strategy Consultation Response</u>, by the Joseph Rowntree Foundation (JRF), who have completed a significant international review of anti-poverty strategies, which concludes the most effective have these elements: clear mechanisms of responsibility and accountability; implementation plans; monitoring and review process; and strong links to economic policy. Their critique of the current UK Government's strategy is that these are absent.
- ¹⁸ Much of the Conservative Coalition Government's thinking comes from the work of the Centre for Social Justice.
- ¹⁹ "Ending Child Poverty in a Changing Economy," by Donald Hirsch at Loughborough University, based on research by the Institute for Fiscal Studies and the Institute for Economic and Social Research, University of Essex. Published by the Joseph Rowntree Foundation, February 2009.
- ²⁰ Flexible Working: Working for Families, Working for Business. A report by the Family Friendly Working House Taskforce. Published by the UK Department for Work and Pensions, Amanda Rowlatt (DWP Director for Child Poverty) and Emma Stewart (Women Like Us), 2009.

- ²¹ "Can We Still Eradicate Child Poverty by 2020?" by Julia Unwin CBE, Chief Executive of the Joseph Rowntree Foundation and the Joseph Rowntree Housing Trust. Published 6 January 2010.
- ²² "Local Government and Child Poverty: Making a Shared Commitment a Shared Reality," discussion paper from the UK Local Government Association, May 2006. Archived, no longer available online.
- ²³ Child Poverty Act 2010: A Short Guide, House of Commons Library, Standard Note SN/SP/5585, 4 July 2014, Steven Kennedy, Social Policy Section.
- ²⁴ The UK Department for Communities and Local Government, Topic: <u>Local Government</u>, 2012.
- ²⁵ Local Government Association, First Magazine, "Opinion: Child Poverty" by Alison Garnham, April 24, 2014.
- ²⁶ "Approaches to Reducing Poverty and Inequality in the UK: A Study of Civil Society Initiatives and Fairness Commissions," by Paul Bunyan and John Diamond, Edge Hill University, for the Webb Memorial Trust and the All-Party Parliamentary Group on Poverty, May 2014.
- ²⁷ A good example can be found in Wakefield Council's Child Poverty Statement, in Annex 2.
- ²⁸ "Economic Growth in Cities Doesn't Automatically Reduce Poverty This Needs to Change," blog by the Joseph Rowntree Foundation, 7 Feb 2014.
- ²⁹ "Child Poverty in Scotland: Taking the Next Steps," a Viewpoint article for the Joseph Rowntree Foundation by Stephen Sinclair and John H. McKendrick, Scottish Poverty Information Unit, Glasgow Caledonian University, May 2009.
- 30 "Annual Report for the Child Poverty Strategy for Scotland," August 2014, Scottish Parliament, Edinburgh.
- 31 "Annual Report for the Child Poverty Strategy for Scotland," August 2014, Scottish Government, Edinburgh.
- ³² More about trends on independence, devolution and autonomy on page 35.
- ³³ Frank Field is a Labour MP who assumed office in May 1979. He was Prime Minister Tony Blair's Minister for Welfare Reform from May 1997 Oct 1998, and currently serves as "poverty czar" in Prime Minister David Cameron's government. More at Frank Field's constituency website.
- ³⁴ In October 2010, First Focus led a US delegation to London and Liverpool to understand local implementation of the UK Child Poverty Target under the change of Government, and in the Cities. The delegation included First Focus, InclusionUS, the Center for American Progress, Single Stop USA, the Shriver Center on Poverty Law, the Center for the Study of Social Policy, the Foundation for Child Development, Project Unity and the City of Bryan, Texas, and its supporting university partner Texas A&M University.
- ³⁵ See the national discussion on short- and long-term policy approaches on page 17.
- ³⁶ The full Liverpool City Region's Child Poverty and Life Chances Strategy can be found along with other local strategies in Annex 1.
- ³⁷ See Annex 3: "UK National Minimum Wage Rates and US Conversion"
- ³⁸ "Public Attitudes to Poverty and Welfare 1983-2011" by Liz Clery, Lucy Lee and Sarah Kunz. NatCen and the Joseph Rowntree Foundation, April 2013.
- ³⁹ It is worth noting that Scotland's politics are considerably left of center, and that both YES and NO voters would consider themselves to be politically to the left of the UK Government.
- 40 "Labour Minimum Wage Promise Would See £8 Per Hour by 2020," 21 September 2014, BBC News
- ⁴¹ "Reducing Poverty in the UK: A Collection of Evidence Reviews," the Joseph Rowntree Foundation, August 2014, numerous authors. Forward by John Hills, Director for the Centre for Analysis of Social Exclusion at the London School of Economics, project managed by Chris Goulden, Head of Poverty Team, Policy and Research Dept, Joseph Rowntree Foundation.