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Child Poverty Strategies

1 Introduction

A new three year child poverty strategy for Northern Ireland (NI) is due for publication in the autumn. As background information for the Committee's consideration of the new strategy, this paper examines child poverty strategies in NI and the other devolved regions of the UK and outlines the viewpoints of children's campaigners, research bodies and others. It also notes Institute for Fiscal Studies (IFS) projected figures for absolute and relative child poverty throughout the UK for 2020.

2 The Child Poverty Act 2010

The Child Poverty Act 2010¹ ('the Act') established four separate UK child poverty targets to be met by 2020/21. The Appendix to this paper describes the targets. The Act placed a duty on the UK Government and Scottish and Northern Irish Ministers to publish regular child poverty strategies and placed duties on local authorities in

¹ <http://www.legislation.gov.uk/ukpga/2010/9/contents>

England for tackling child poverty. The Children and Families (Wales) Measure 2010² placed a duty on Welsh Ministers and other Welsh authorities to prepare and publish a child poverty strategy for Wales.

3 Child poverty strategies in the devolved regions of the UK

Wales

The Children and Families (Wales) Measure 2010 placed a legal duty on Ministers, local authorities and other Welsh authorities³ to prepare and publish a child poverty strategy with objectives and actions for contributing to the eradication of child poverty in Wales. (Where eradication means matching the lowest rate in Europe, 5 percent before housing costs). The Measure defined thirteen broad aims for contributing towards the eradication of child poverty. These aims were summarised in the three overarching strategic objectives described within the Welsh Child Poverty Strategy of 2011. The strategic objectives were:

- reduce the number of families living in workless households
- improve the skills of parents/carers and young people living in low income households so they can secure well-paid employment
- reduce inequalities that exist in health, educational and economic outcomes of children and families by improving the outcomes of the poorest

The Welsh Government also published statutory guidance and regulations⁴ for Welsh Local Authorities and other Welsh authorities in relation to their legal duties. A *Child Poverty Solutions Wales* website, hosted by Save the Children with support from the Welsh government, offered help in developing local responses to child poverty.

In 2012 the Welsh government child poverty policy commitments were incorporated into an all-age anti-poverty plan for Wales, the *Tackling Poverty Action Plan*⁵ (TPAP). TPAP's more 'holistic' approach to poverty was expected to supplement the delivery of the statutory Child Poverty Strategy and reinforce its three strategic objectives. An evaluation of the Welsh approach by the Joseph Rowntree Foundation (JRF) notes that [TPAP] ... appears to have overtaken the annual reporting of progress specifically on

² <http://www.legislation.gov.uk/mwa/2010/1/contents>

³ The Welsh Authorities named in Section 6 of the Children and Families (Wales) Measure 2010 are: The Welsh Ministers, A Local Authority, A Local Health Board, A Welsh Fire & Rescue Authority, A National Park Authority in Wales, The Countryside Council for Wales, The Higher Education Funding Council for Wales, The Public Health Wales National Health Service Trust, The National Museum of Wales, The Arts Council of Wales, The National Library of Wales, The Sports Council for Wales.

⁴ <http://wales.gov.uk/docs/caecd/publications/110513tacklingen.pdf>

⁵ <http://wales.gov.uk/docs/dsllg/publications/socialjustice/120625tackpovplanen.pdf>

the child poverty strategy'.⁶ The Children's Commissioner for Wales had reservations about the move stating that the inclusion of child poverty in an all age action plan does not lend itself to actions firmly placed within a framework of children's rights in line with the UNCRC. He also pointed out that direct reference to the UNCRC was absent from the 2013 Action Plan⁷.

The three overarching aims of Wales' all-age *Tackling Poverty Action Plan* are:

- Preventing poverty – actions are largely about improving prospects for children and young people
- Helping people into work- actions are largely about reducing worklessness and improving skills
- Mitigating the impact of poverty – actions are about improving access to high quality health, housing, financial and digital services and minimising the effect of welfare reform

There is a further cross-cutting aim of *joining up in communities and across government* – where the focus is on regeneration. The Action Plan aims to ensure that the three overarching aims and actions are supporting disadvantaged groups and communities. A *Tackling Poverty Action Plan* annual report was published July 2014⁸.

Compared with Scotland and Northern Ireland, Wales' child poverty strategy 2011 seemed to place greater requirements upon public authorities and greater importance on ensuring that child-poverty related activity happens at all levels of government and across services. A review by the New Policy Institute considered the Welsh strategy to be 'more advanced than other strategies both in terms of the time it was launched (much earlier) and its content (more detailed and thorough). In particular, the monitoring and measurement were seen as a standard to aim for.'⁹ The Joseph Rowntree Foundation's study considered the Welsh strategy to be 'the most ambitious in tone, least couched in terms of limited powers and explicitly rooted within international rights-based approaches'.¹⁰

⁶ [A Review of Devolved Approaches to Child Poverty](#) Jim McCormick for the Joseph Rowntree Foundation October 2013

⁷ <http://wales.gov.uk/docs/dsijg/publications/socialjustice/130703takeforpovactplanen.pdf>

⁸ <http://wales.gov.uk/docs/dsijg/publications/140702-action-plan-annual-report-14-en.pdf>

⁹ Page 75 Evaluation of the Welsh Child Poverty Strategy Final Report Ipsos MORI & New Policy Institute July 2014

<http://dera.ioe.ac.uk/20483/1/140709-child-poverty-strategy-wales-final-en.pdf>

¹⁰ Page 12 [A Review of Devolved Approaches to Child Poverty](#).

Scotland

The constraints arising from the absence of tax and welfare powers are clearly expressed in Scotland's first child poverty strategy¹¹ and annual reports. Actions to tackle child poverty therefore focus on the theme of mitigation within the limitations of devolution. The two main aims of the first Scottish strategy are;

- Maximising household resources
- Improving children's wellbeing and life chances

The strategy stresses the needs of deprived communities and places. Change is to be driven through working with local partners such as *Community Planning Partnerships (CPP's)*. Single Outcome Agreements (SOA's) are agreements between the Scottish Government and Community Planning Partnerships which set out how each will work towards improving outcomes. The Child Poverty strategy states that it is for these CPPs, with their knowledge of local needs and priorities, to decide the best way forward to tackle poverty at the local level, and to reflect this within their SOA's.¹² The annual report of 2013¹³ uses the *pockets, prospects and places* categorisation (see page 8 of this paper) to order and present the range of measures taken in the strategy.

The Joseph Rowntree Foundation study regarded the Scottish approach as the least centrally driven of the devolved regions and the one which was offering most discretion to local government and community planning partners to devise responses. It was critical however of the lack of any requirement to show how the strategy was being delivered and a progress report which contained only a list of promising approaches¹⁴. It noted however that substantial analysis on the likely impacts of welfare reform has been published by the Scottish government over the same reporting period showing impacts, for example, upon families and households.

The second Scottish child poverty strategy¹⁵, published in March 2014, reformulated the two key aims of the first strategy as outcomes, altered how they are reported on and introduced a third outcome:

- Children from low income households live in well-designed sustainable places

¹¹ <http://scotland.gov.uk/Resource/Doc/344949/0114783.pdf>

¹² Page 49 <http://scotland.gov.uk/Resource/Doc/344949/0114783.pdf>

¹³ <http://www.scotland.gov.uk/Resource/0043/00432470.pdf>

¹⁴ Page 19 *A Review of Devolved Approaches to Child Poverty*

¹⁵ <http://www.scotland.gov.uk/Resource/0044/00445863.pdf>

A new Outcomes Framework has been developed setting out key areas of activity to achieve the aims and principles of the strategy. The Children's Commissioner for Scotland welcomed the new child poverty strategy and the revised *pockets, prospects and places* approach. He expressed concern at the absence of explicit reference to children's rights within the strategy and called for the proposed outcomes and measurements framework to be clearly linked to the UNCRC.¹⁶ The Child Poverty Action Group (CPAG) in Scotland welcomed the strategy's focus on maximising family resources but called for the strategy to be backed up by a clear delivery plan with a clear framework for measuring success and a suitable accountability mechanism.¹⁷

England

The Child Poverty Act 2010 commits the government to reduce child poverty and places specific duties on local authorities in England towards ending child poverty. Specifically it places a duty on each local authority to:

- cooperate with partners and other bodies to reduce child poverty and work together to mitigate its effects,
- produce an assessment of the needs of children living in poverty in its area (a child poverty needs assessment), and
- prepare a joint Child Poverty Strategy with relevant partners

In 2013 the End Child Poverty Campaign examined the approach in England¹⁸. It found that child poverty affected all local authorities but there was wide variation in the levels of child poverty across the country. Even local authorities with low levels of child poverty had pockets of deprivation within them. The study found there was wide variation in the approach taken by authorities toward their Child Poverty Act responsibilities. It identified 53 (out of 152) English local authorities where it was unable to find a published child poverty strategy. (A study the year before made a similar finding). The research identified some authorities with good quality strategies and positive achievements in relation to tackling child poverty within their areas but concluded there was much more that local authorities could do to tackle child poverty despite the constraints of national policy and the policy levers available to them.

¹⁶ <http://www.sccyp.org.uk/ufiles/Briefing-on-Child-Poverty.pdf>

¹⁷ <http://www.cpag.org.uk/content/new-scottish-child-poverty-strategy-%E2%80%9Cwelcome-ambitions-must-lead-increased-action%E2%80%9D>

¹⁸ [http://www.endchildpoverty.org.uk/images/ecp/130212%20ECP%20local%20report%20final\(2\).pdf](http://www.endchildpoverty.org.uk/images/ecp/130212%20ECP%20local%20report%20final(2).pdf)

Northern Ireland

The first statutory child poverty strategy was published in March 2011. Its overall aim is: *to provide the opportunity for all children and young people to thrive and to address the causes and consequences of disadvantage*. The strategy has four strategic priorities:

- ensure that as far as possible, that poverty and disadvantage in childhood does not translate into poorer outcomes for children as they move into adulthood
- support more parents to be in work that pays, or pays better
- ensure the child's environment supports them to thrive
- target financial support to be responsive to family situations

The 'priority action areas' detailed in the strategy to support these high level priorities could be grouped into two categories - actions to reduce poorly paid work and unemployment among adults with children and actions to improve longer-term prospects through child based interventions to tackle the cyclical nature of child poverty. The Executive's intention was to follow the strategy with a delivery plan detailing the key initiatives, signature projects and measurable outcomes which would take forward the strategy's strategic priorities¹⁹. This implementation plan was replaced by *Delivering Social Change* – an all-encompassing framework for the delivery of the child poverty strategy over time. A Child Poverty Outcomes Framework²⁰ was developed by OFMdfM to assess which interventions are likely to produce the best outcomes over the long term and the impact of programmes already in place. Mandatory annual progress reports for the Child Poverty Strategy were published in May 2012²¹ and March 2013²².

The Joseph Rowntree Foundation analysis notes that Northern Ireland's child poverty strategy sits alongside the 10 year anti-poverty strategy Lifetime Opportunities²³ and other anti-poverty policy and actions detailed within the Programme for Government²⁴ and Delivering Social Change framework²⁵. It found Northern Ireland's approach to be

¹⁹ Page 15 *Improving Children's Life Chances* The Child Poverty Strategy March 2011

http://www.northernireland.gov.uk/final_child_poverty_strategy_-_agreed_by_executive_-_22_march_2011.pdf

²⁰ <http://www.ncb.org.uk/media/1076520/child-poverty-outcomes-framework-september-2013.pdf>

²¹ http://www.ofmdfmi.gov.uk/final_first_annual_report_re_child_poverty_strategy.pdf

²² <http://www.ofmdfmi.gov.uk/child-poverty-strategy-second-annual-report-2013.pdf>

²³ <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>

²⁴ <http://www.northernireland.gov.uk/pfg-2011-2015-final-report.pdf>

²⁵ <http://www.ofmdfmi.gov.uk/delivering-social-change>

distinctive amongst the devolved nations for its emphasis placed on inter-generational cycles of poverty and reference to families with young mothers as factors sustaining poverty. It did not, however, find a clear evidence base for this focus.²⁶

The JRF study noted that the annual progress reports anticipate the risks for child poverty posed by welfare reform. It also highlights that Northern Ireland, like Wales has stressed the need for co-ordinated cross-government working and for targeting disadvantaged communities. The author observed a sharpening focus on outcomes and delivery in Northern Ireland's approach and a stronger steer from the centre of government. He noted however that the progress report understates how vulnerable Northern Ireland is to poverty due to relatively lower pay and higher rates of long-term benefits claims and the nature of the income distribution in NI which shows a high level of households incomes clustered close to the poverty line.

In January 2014 OFMdfM published a consultation document *Delivering Social Change for Children and Young People*. The intention expressed in this draft strategy was to create an integrated policy framework covering policy on children and young people, including child poverty and children's rights²⁷. It proposed to be the Executive's statutory child poverty strategy and the annual report to the Assembly on child poverty. The Children's Commissioner expressed concern however, that the Executive had:

...simply 'tweaked' the Ten Year Strategy and merged it with the Child Poverty Strategy. Doing so has resulted in a document which is neither an improvement on the Children's Strategy nor meets the requirements of the Child Poverty Act. This was done without any engagement with my office, with civil society or with children, young people or their parents.²⁸

The Commissioner also drew attention to the IFS reports on the predicted rise in child poverty for NI in the years ahead and called for the Executive to make an 'honest review' of past planning and actions before producing new strategies.

Following the *Delivering Social Change for Children and Young People* public consultation, it was decided to produce a separate child poverty strategy for 2014-17²⁹.

²⁶ Page 15 *A Review of Devolved Approaches to Child Poverty*

²⁷ <http://www.ofmdfmi.gov.uk/dsc-children-young-people-consultation-2014.pdf>

²⁸ <http://www.niccy.org/News/children-and-young-people-now-articles/government-demonstrates-poverty-of-10-year-strategy->

²⁹ [http://www.niassembly.gov.uk/Documents/Official-Reports/OFMdfM/2014-2015/140910_DeliveringSocialChangeforChildrenandYoungPeople\(OFMdfM\).pdf](http://www.niassembly.gov.uk/Documents/Official-Reports/OFMdfM/2014-2015/140910_DeliveringSocialChangeforChildrenandYoungPeople(OFMdfM).pdf)

4 Are there any common approaches to child poverty across the devolved nations?

The child poverty strategies across the jurisdictions reflect the powers that are devolved to them and different priorities and policy choices, but there are some common elements. The Joseph Rowntree Foundation's review of the devolved governments' child poverty arrangements found four common approaches:

- Where it is possible the devolved administrations are trying to target resources – i.e. through local government, in the NHS or by basing it on levels of deprivation
- The devolved administrations are trying to reduce costs for people – reduce council tax/rates, remove prescription charges, award concessionary fares, reduce fuel poverty, provide wage subsidies for employers
- They are trying to raise awareness and improve take-up of any relevant support that is available – i.e. advice on benefits/tax credits, debt and low cost credit, guidance and advocacy services, skills training, employment rights
- They are regulating to improve public services such as preschool and childcare provision, education, housing standards, health and social care, adult skills

New Policy Institute research found an emphasis on parental employment to be a common element in the strategies, finding a consensus amongst the governments that work was the best route out of poverty. There was agreement that '...to this end, education, and the educational attainment of children is central'.³⁰ The JRF paper highlights the *Pockets, Prospects and Places* grouping (originally devised by the Scottish Tackling Poverty Board) as a helpful way of summarising the devolved nations' child poverty activities since 2011:

- **Pockets** – these are policies to increase people's incomes and bring down the cost of essential goods and services
- **Prospects** – these are policies aimed at improving children and young people's life chances and employment chances. These policies take a longer view on tackling poverty.

³⁰ Page 75 *Evaluation of the Welsh Child Poverty Strategy Final Report* Ipsos MORI & New Policy Institute July 2014
<http://dera.ioe.ac.uk/20483/1/140709-child-poverty-strategy-wales-final-en.pdf>

- **Places** – these are policies to improve the places that people live – for example with higher quality, more affordable housing, and through community regeneration especially in places of extreme disadvantage.

The Joseph Rowntree Foundation paper commented that ‘this three dimensional approach to tackling poverty appears to offer a sound basis for policy and practice’³¹.

Policy commitments on poverty within annual reports and action plans³²

S* denotes six ‘signature projects’ announced by the Northern Ireland Executive in October 2012.

	Wales	Northern Ireland	Scotland
PROSPECTS			
Early years: pre-school children	Double number of children benefiting from Flying Start Health Visitor services and increase take-up to 95%. Families First and Integrated Family Support Services to address multiple and complex needs (not limited to pre-school).	Ensure at least one year of pre-school for all families who want it, expand Sure Start and target 25% most disadvantaged wards, 10 Family Support Hubs for early intervention. (S*)	Early Years Change Fund/Collaborative (£272m), prevention focus, 600 hours pre-school education and care for 3 and 4 year-olds and looked-after 2 year-olds by 2015.
School-age	Narrow the attainment gap at end of Foundation phase (age 7) by 10%. Target support to lower-performing schools, literacy programme, Pupil Deprivation Grant, EMAs retained.	Additional 20 nurture units (S*), eligibility for free school meals extended, EMAs retained, new grant for uniforms, extra literacy and numeracy support for under-achieving pupils. (S*)	Curriculum for Excellence, reduced class sizes in P1–3 and EMAs retained.
Young people’s employment, education and training	Improve quality and relevance of work experience. Jobs Growth Wales assists 4,000 unemployed	65,000 job training places, Youth Employment Scheme: training/work for	25,000 apprenticeships, Community Jobs Scotland: £20m over 2 years for up

³¹ page 5 [A Review of Devolved Approaches to Child Poverty](#)

³² From: [A Review of Devolved Approaches to Child Poverty](#) by Jim Mc Cormack for the Joseph Rowntree Foundation October 2013

	Wales	Northern Ireland	Scotland
	16–24 year-olds into work experience for 6 months, Young Recruits wage subsidy programme.	13,000 unemployed 18–24 year-olds, 10,000 apprenticeships, graduate internships programme, scale-up/roll-out skills development and jobs link pilot activity for up to 500 families including NEET young people. (S*)	to 3,000 unemployed 16–24 year-olds to work for 6 months at minimum wage in third sector.
Adult employment and training	Offer 5,000 sustainable training/employment opportunities to adults in workless households by end of 2017. 30 projects (£280m) including ESF budget to boost employment and skills e.g. ReAct, School Gates Employment. Employers seeking public funding to sign up to CSR principles.	£40m from Social Investment Fund in 8 disadvantaged areas for improved employment, education and health, 10 Social Enterprise Incubation Hubs in areas of multiple deprivation. (S*)	Employer Recruitment Incentive of £1000 to take on adults unemployed more than 6 months (up to 5,000 jobs); and Employment Support of £1000 to assist with costs of recruiting extra staff – both for SMEs.
Health inequalities	Close gaps in healthy life expectancy between each fifth of the population by an average of 2.5%. Reduce the no. of low birth-weight babies in the most deprived fifth by 19%. Healthy	Family Nurse Partnership pilot, Positive Parenting initiative for families in areas of deprivation. (S*)	8 Equally Well sites in disadvantaged areas, Family Nurse Partnerships.

	Wales	Northern Ireland	Scotland
	Start safety net for nutrition.		
POCKETS			
Maximising incomes	New Discretionary Assistance Fund – payments/in-kind support to vulnerable people. Advice to 14,700 families in/at risk of fuel poverty, extra funding for Citizens Advice Cymru to help generate £8m more in benefits per year, more than double no. of credit union members and assets by 2020 and through advice services.	Winter Fuel payment of £75 to low-income working-age households from Social Protection Fund in severe winter of 2010–11. Increase financial competency. Implement re-designed child support arrangements.	Scottish Welfare Fund replaces elements of Social Fund with £9.2m extra funding. Various income maximisation/benefit take-up initiatives. Extra £5.4m for advice agencies to deal with welfare reform cases.
Reducing costs and expenditure pressures, mitigating impact of poverty	Council Tax reduction continues on same basis as Council Tax Benefit with 10% UK budget cut fully funded. Free breakfast to all primary pupils, free prescriptions, possibility of social tariff for water charges.	Domestic rates pegged to inflation. Additional water charges deferred until 2015. Prescription charges abolished.	Council Tax freeze, Council Tax reduction continues on same basis as CT Benefit with 10% UK budget cut fully funded, Scottish Social Wage approach (universal services without charge).
PLACES			
Community	Communities First:	A further £40m from	People and

	Wales	Northern Ireland	Scotland
regeneration	fewer, larger areas refocused on links to mainstream work, training, education. Ensure that all Welsh Government infrastructure projects above £2m adopt Community Benefits approach.	Social Investment Fund to address dereliction, physical regeneration and rural poverty.	Communities Fund (£7.9m per year), Community Empowerment and Renewal Bill.
Housing, energy efficiency and fuel poverty	7,500 homes energy efficiency to be improved (Nest & Arbed), 7,500+ extra affordable homes (social and intermediate) and 5,000 extra empty homes brought back into use.	9,000 homes per year improved.	Investment of £65m in three energy efficiency programmes.

5 Has devolution made any impact on reducing poverty?

Economic growth and Westminster policies such as welfare-to-work and tax-benefit reform were largely responsible for falling levels of poverty and improving employment rates in most areas of the UK during the early years of devolution from 1999 to 2009 according to the JRF analysis. Given the devolved governments limited powers, the author of the JRF analysis considers it unreasonable to expect they could bring about more than a modest contribution to poverty reduction. He notes however, the shifting boundary between devolved and reserved powers and considers that further change is probable.

The JRF paper stressed that it may take many years to see the influence of policies that were advanced by the devolved administrations, for example in relation to children's early years support, adult skills and public health. Nevertheless, some areas where devolution has had a positive impact are identifiable, for example:

- A positive improvement in adult skills. Improvements were most significant in the north-east of England followed by Wales and NI.

- Falls in infant mortality – greatest in Wales (but least in Northern Ireland).
- Improvements in early mortality among adults under 65
- A (modest) narrowing in the gap between best and worst faring parts of the UK

The research found limited evidence to verify that improvements and progress in child poverty after the first ten years of devolution could be attributed to actions of the devolved governments. It stressed the need for better evaluation of devolved initiatives to really be sure if and how they add value. It is impossible for example, to say for sure whether devolved policies in the area of employability are any better or are cost-effective compared to UK-wide labour market policies. In conclusion, the JRF research advised that strategies must use approaches that have been demonstrated to be more effective at tackling poverty and funding decisions must be based on good evidence.

The appeal for better evaluation and review is echoed in a statement by Northern Ireland's Children's Commissioner whose period in office is shortly coming to an end. In April 2014 she stated:

When I came into post in January 2007, it seemed a time of promise, of potential progress for children and young people. A ten year Strategy for Children and Young People had recently been published and we were about to witness the restoration of devolution. We were hopeful that having locally elected politicians would result in more local accountability, in legislation and initiatives that would meet the needs of local people.

Certainly, there is more political debate on important issues, and I am pleased that I have developed constructive working relationships with government ministers, who meet with me regularly to discuss issues affecting children's rights and best interests. However, I have concerns about the effectiveness of the Executive's strategic delivery for children and young people.....If devolved government is to make a difference what is needed is an honest review of how effectively it has been delivering for children and young people, whilst involving civil society, professionals, parents and – of course – children and young people themselves. This must be followed by concerted, coordinated action to ensure better outcomes for children, through the development, resourcing and delivery of a new, long-term Strategy for children and young people. Then, at last, we may see real progress.³³

³³ *Government Demonstrates Poverty of 10-Year Strategy* NICCY April 2014 <http://www.niccy.org/News/children-and-young-people-now-articles/government-demonstrates-poverty-of-10-year-strategy->

6 Institute for Fiscal Studies (IFS) projections for 2020

Child and Working Age Poverty in Northern Ireland over the next decade: an update was published by the IFS in January 2014³⁴. The poverty projection tables are on pages 17-19 of this paper. The box below summarises the key results.

THE IFS PROJECTIONS

Child poverty in the UK is projected to:

- rise relatively quickly between 2011-12 and 2014-15,
- increase slightly between 2014-15 and 2017-18 as more households benefit from the introduction of universal credit, before increasing more rapidly in the latter part of the decade.

Relative to the latest year of data (2011-12), it is expected that:

- child poverty in Northern Ireland is to increase by 5.0 percentage points by 2014-15 and 9.2 percentage points by 2020-21 using the relative low-income measure and
- by 7.1 percentage points by 2014-15 and 13.5 percentage points by 2010-21 using the absolute low-income measure.

The IFS research estimates that the equivalent figures for the UK as a whole are somewhat smaller:

- Using the relative low-income measure projected increases for the UK are of 2.7 percentage points by 2014-15 and 5.0 percentage points by 2020-21
- Using the absolute low-income measure projected increases are 5.6 percentage points by 2014-15 and 8.4 percentage points by 2020-21

The report was prepared at the request of the Northern Ireland Executive, and it includes separate projections for Northern Ireland, Scotland, and England and Wales (combined) as well as for the UK as a whole. It updated a previous analysis published in May 2013 which

³⁴ *Child and Working Age Poverty in Northern Ireland over the next decade: an update* James Browne, Andrew Hood, Robert Joyce Institute for Fiscal Studies January 2014 <http://www.ifs.org.uk/bns/bn144.pdf>

drew a substantial volume of comment from children's charities, campaigners, politicians and in the press.³⁵ The first report of 2013 stated that "Tax and benefit reforms introduced since April 2010 can account for almost all of the increase in child poverty projected over the next few years." The update of 2014 stated that "...our key qualitative conclusions about the likely path of poverty among children and working age adults are unchanged since our previous report". The report's authors concluded that the statutory targets to reduce relative child poverty by 2020-21 are:

... unachievable under any plausible scenarios for how the UK economy and tax and benefit policy will develop over the remainder of this decade, and reiterate our recommendation to the UK government to consider setting more realistic targets, or to set out how its policies will enable it to meet these targets if it disagrees with our assessment.

When the first report was published in May 2013 the Child Policy Action Group, commenting in relation to the overall UK child poverty strategy, stated:

The Government has child poverty targets and a child poverty strategy because it knows poverty destroys life chances and generates huge costs to our economy. Today's figures must lead to a rethink of a strategy that not only isn't working but looks set to turn the child poverty problem into a child poverty crisis in the years ahead. As a result of the Government's flawed strategy, over 1.1 million more children will be living in poverty by 2020-21.

We need a child poverty strategy that contains policies which deliver on important issues such as job security, living wages, and affordable housing for low income families. When the right policies aren't in place to help ensure family life is affordable, it's inevitable that children suffer.³⁶

In April 2014 Northern Ireland's Commissioner for Children and Young People referred to the IFS research stating:

An OFMDFM commissioned Institute of Fiscal Studies report predicts that absolute child poverty in Northern Ireland will rise from 25% in 2011-12 to an unprecedented 38.5% in 2020-21. That is more than 10 percentage points above the level predicted for the UK. This is only one of the many challenges that must be addressed urgently for our most vulnerable children in Northern Ireland.³⁷

³⁵ <http://www.ifs.org.uk/comms/r78.pdf>

³⁶ <http://www.cpag.org.uk/content/government-child-poverty-strategy-needs-rethink-experts-warn-looming-crisis>

³⁷ <http://www.niccy.org/News/children-and-young-people-now-articles/government-demonstrates-poverty-of-10-year-strategy->

The Commissioner stressed that the Executive's new child poverty strategy:

...must make reference to the statistical predictions in relation to the child poverty targets and set targets it aims to achieve by 2017 to make good progress towards the four specified child poverty targets for 2020.³⁸

³⁸ Page 13 Response to Consultation on Delivering Social Change for Children and Young People NICCY March 2014
http://www.nickey.org/downloads/2014/Advice_to_Government/NICCY_Response_to_DSC_for_CYP_31_March_FINAL.pdf

Appendix Child Poverty Act Targets <http://www.legislation.gov.uk/ukpga/2010/9/contents>

3 The relative low income target

- (1) The relative low income target is that less than 10% of children who live in qualifying households live in households that fall within the relevant income group.
- (2) For the purposes of this section, a household falls within the relevant income group, in relation to a financial year, if its equivalised net income for the financial year is less than 60% of median equivalised net household income for the financial year.

4 The combined low income and material deprivation target

- (1) The combined low income and material deprivation target is that less than 5% of children who live in qualifying households –
 - (a) live in households that fall within the relevant income group, and
 - (b) experience material deprivation.
- (2) For the purposes of subsection (1)(a), a household falls within the relevant income group, in relation to a financial year, if its equivalised net income for the financial year is less than 70% of median equivalised net household income for the financial year.
- (3) Regulations must specify the circumstances in which a child is to be regarded for the purposes of subsection (1)(b) as experiencing material deprivation in a financial year.

5 The absolute low income target

- (1) The absolute low income target is that less than 5% of children who live in qualifying households live in households falling within the relevant income group.
- (2) For the purposes of this section, a household falls within the relevant income group, in relation to a financial year, if its equivalised net income for the financial year is less than 60% of the adjusted base amount.
- (3) “The adjusted base amount”, in relation to a financial year, is the base amount adjusted in a prescribed manner to take account of changes in the value of money since the base year.
- (4) In this section –
 - “the base amount” means the amount of median equivalised net household income for the base year;
 - “the base year” means the financial year beginning with 1 April 2010.

6 The persistent poverty target

- (1) In relation to a financial year (“the relevant financial year”), the persistent poverty target is that less than the target percentage of children who have lived in qualifying households during each of the survey years have lived in households that have been within the relevant income group in at least 3 of the survey years.
- (2) The survey years are –
 - (a) the calendar year that ends in the relevant financial year, and
 - (b) the 3 previous calendar years.
- (3) For the purposes of this section, the target percentage is a percentage to be prescribed by regulations made before 2015.
- (4) For the purposes of this section, a household falls within the relevant income group, in relation to a calendar year, if its equivalised net income for the year is less than 60% of median equivalised net household income for the year.
- (5) Instead of exercising the power conferred by subsection (3), the Secretary of State may by regulations amend this section so as to substitute a different persistent poverty target for that set out in subsections (1) to (4).
- (6) Regulations under subsection (5) may only be made –
 - (a) before 2015, and
 - (b) with the consent of the Commission.

Child Poverty Projection tables

Source: *Child and working-age poverty in Northern Ireland over the next decade: an update*.
IFS January 2014

Appendix Table A1. UK relative poverty and median income projections

	<i>Children</i>		<i>Working-age adults</i>		<i>Working-age parents</i>		<i>Working-age non-parents</i>		<i>Median income (% change)</i>
	Millions	%	Millions	%	Millions	%	Millions	%	
<i>Incomes measured before deducting housing costs</i>									
2011–12 (actual)	2.3	17.4	5.6	15.2	2.1	15.3	3.5	15.2	-2.8
2012–13	2.4	18.3	5.7	15.4	2.2	15.9	3.5	15.1	-2.4
2013–14	2.6	19.4	6.0	15.8	2.3	16.6	3.7	15.4	-0.7
2014–15	2.7	20.1	6.3	16.5	2.4	17.0	3.9	16.2	-0.5
2015–16	2.7	20.0	6.3	16.5	2.3	16.8	4.0	16.3	-0.2
2016–17	2.8	20.4	6.4	16.5	2.4	17.0	4.0	16.2	-0.4
2017–18	2.9	21.1	6.6	16.7	2.5	17.4	4.1	16.3	-0.6
2020–21	3.2	22.5	7.1	17.3	2.6	18.0	4.5	16.9	+0.1
<i>Incomes measured after deducting housing costs</i>									
2011–12 (actual)	3.5	27.0	7.9	21.4	3.2	23.5	4.7	20.2	-3.4
2012–13	3.7	28.0	8.1	21.8	3.3	24.1	4.8	20.5	-2.0
2013–14	3.9	29.0	8.3	22.1	3.4	24.7	4.9	20.5	-1.0
2014–15	4.0	29.9	8.6	22.7	3.5	25.2	5.1	21.2	-1.2
2015–16	4.0	29.7	8.7	22.7	3.5	25.1	5.2	21.3	-0.3
2016–17	4.1	29.8	8.8	22.7	3.5	25.0	5.3	21.4	-0.2
2017–18	4.3	30.9	9.1	23.1	3.7	25.8	5.4	21.5	+0.3
2020–21	4.6	32.0	9.6	23.5	3.8	26.5	5.8	21.9	+0.7

Note: Poverty line is 60% of contemporaneous median income.

Source: Authors' calculations based on Family Resources Survey, 2011–12, using the IFS tax and benefit microsimulation model, TAXBEN, and assumptions specified in the text.

Appendix Table A2. UK absolute poverty projections

	<i>Children</i>		<i>Working-age adults</i>		<i>Working-age parents</i>		<i>Working-age non-parents</i>	
	Millions	%	Millions	%	Millions	%	Millions	%
<i>Incomes measured before deducting housing costs</i>								
2011–12 (actual)	2.6	19.5	6.1	16.6	2.3	17.0	3.8	16.4
2012–13	2.9	22.0	6.6	17.9	2.6	18.9	4.0	17.3
2013–14	3.1	23.7	7.0	18.6	2.8	19.9	4.2	17.8
2014–15	3.4	25.2	7.4	19.5	2.9	20.9	4.5	18.7
2015–16	3.4	25.1	7.4	19.4	2.9	20.6	4.6	18.7
2016–17	3.5	25.5	7.6	19.5	2.9	20.8	4.5	18.8
2017–18	3.7	26.6	7.9	20.1	3.1	21.6	4.8	19.2
2020–21	4.0	27.9	8.4	20.6	3.2	22.3	5.2	19.6
<i>Incomes measured after deducting housing costs</i>								
2011–12 (actual)	3.8	29.2	8.3	22.5	3.4	25.0	4.9	21.0
2012–13	4.1	31.4	8.8	23.7	3.7	26.7	5.1	21.9
2013–14	4.4	33.0	9.1	24.3	3.9	27.9	5.3	22.3
2014–15	4.6	34.2	9.6	25.3	4.0	28.8	5.6	23.2
2015–16	4.6	34.3	9.8	25.5	4.1	28.9	5.7	23.5
2016–17	4.7	34.3	9.9	25.4	4.1	28.8	5.8	23.5
2017–18	4.9	35.1	10.1	25.6	4.2	29.5	5.9	23.4
2020–21	5.1	35.5	10.4	25.5	4.2	29.4	6.2	23.4

Note: Poverty line is 60% of 2010–11 median income in real terms.

Source: Authors' calculations based on Family Resources Survey, 2011–12, using the IFS tax and benefit microsimulation model, TAXBEN, and assumptions specified in the text.

Appendix Table B1. Projections of income poverty rates in England and Wales

	<i>Children</i>		<i>Working-age adults</i>		<i>Working-age parents</i>		<i>Working-age non-parents</i>	
	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute
<i>Incomes measured before deducting housing costs</i>								
2011–12 (actual)	17.5	19.6	15.3	16.6	15.3	17.0	15.3	16.4
2012–13	18.4	22.1	15.3	17.9	15.9	18.9	15.0	17.2
2013–14	19.5	23.7	15.8	18.6	16.7	19.9	15.3	17.8
2014–15	20.2	25.3	16.4	19.4	17.0	20.9	16.1	18.6
2015–16	20.0	25.2	16.3	19.3	16.7	20.5	16.1	18.5
2016–17	20.4	25.5	16.3	19.4	16.9	20.7	16.0	18.6
2017–18	21.1	26.6	16.5	19.9	17.3	21.5	16.1	19.1
2020–21	22.4	27.7	17.0	20.3	17.8	22.0	16.6	19.4
<i>Incomes measured after deducting housing costs</i>								
2011–12 (actual)	27.7	29.8	21.8	22.7	24.0	25.5	20.5	21.1
2012–13	28.5	31.9	22.1	23.9	24.4	27.1	20.7	22.0
2013–14	29.6	33.6	22.3	24.6	25.1	28.3	20.7	22.4
2014–15	30.5	34.8	22.9	25.5	25.7	29.2	21.3	23.3
2015–16	30.3	34.9	22.9	25.6	25.5	29.2	21.4	23.5
2016–17	30.4	34.7	22.9	25.5	25.3	29.0	21.5	23.5
2017–18	31.4	35.7	23.3	25.8	26.1	29.8	21.6	23.4
2020–21	32.4	35.8	23.6	25.6	26.7	29.6	21.9	23.4

Note: Relative poverty line is 60% of contemporaneous median income. Absolute poverty line is 60% of 2010–11 median income in real terms.

Source: Authors' calculations based on Family Resources Survey, 2011–12, using the IFS tax and benefit microsimulation model, TAXBEN, and assumptions specified in the text.

Appendix Table B2. Projections of income poverty rates in Scotland

	<i>Children</i>		<i>Working-age adults</i>		<i>Working-age parents</i>		<i>Working-age non-parents</i>	
	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute
<i>Incomes measured before deducting housing costs</i>								
2011–12 (actual)	14.8	16.3	13.2	14.7	12.7	14.0	13.4	15.0
2012–13	14.9	18.2	14.0	15.8	12.9	15.7	14.5	15.9
2013–14	15.8	20.2	14.3	16.5	13.3	16.8	14.8	16.4
2014–15	16.3	21.0	14.9	17.3	13.8	17.4	15.4	17.3
2015–16	16.9	22.0	15.2	18.0	14.3	18.3	15.6	17.9
2016–17	17.8	22.4	15.6	18.2	14.8	18.5	16.0	18.0
2017–18	18.9	23.2	15.9	18.5	15.3	19.2	16.1	18.3
2020–21	20.0	25.9	16.8	19.8	15.5	21.0	17.3	19.2
<i>Incomes measured after deducting housing costs</i>								
2011–12 (actual)	19.6	21.6	17.5	18.9	16.7	18.7	17.9	19.0
2012–13	21.0	24.4	18.4	20.7	18.2	21.2	18.5	20.5
2013–14	21.8	25.6	18.7	21.1	18.6	21.8	18.7	20.8
2014–15	21.9	26.5	19.3	22.0	18.6	22.2	19.6	22.0
2015–16	21.7	26.5	19.5	22.3	18.7	22.8	19.8	22.1
2016–17	22.0	28.2	19.4	22.6	18.9	23.8	19.6	22.0
2017–18	23.2	28.4	19.7	22.4	20.0	24.2	19.5	21.6
2020–21	26.2	29.6	20.5	22.6	21.4	24.3	20.1	21.8

Note: Relative poverty line is 60% of contemporaneous median income. Absolute poverty line is 60% of 2010–11 median income in real terms.

Source: Authors' calculations based on Family Resources Survey, 2011–12, using the IFS tax and benefit microsimulation model, TAXBEN, and assumptions specified in the text.

Appendix Table B3. Projections of income poverty rates in Northern Ireland

	<i>Children</i>		<i>Working-age adults</i>		<i>Working-age parents</i>		<i>Working-age non-parents</i>	
	Relative	Absolute	Relative	Absolute	Relative	Absolute	Relative	Absolute
	<i>Incomes measured before deducting housing costs</i>							
2011–12 (actual)	21.6	25.0	20.3	22.4	20.7	23.3	20.1	21.8
2012–13	23.0	28.3	21.3	24.4	21.6	26.2	21.1	23.1
2013–14	24.4	30.3	21.5	25.1	22.2	27.7	21.0	23.3
2014–15	26.6	32.0	23.2	27.0	24.5	29.4	22.3	25.3
2015–16	26.3	31.4	23.7	27.4	23.8	28.7	23.6	26.5
2016–17	26.9	31.9	23.6	27.7	23.9	28.7	23.3	27.0
2017–18	28.0	33.5	24.6	29.1	24.9	30.2	24.4	28.3
2020–21	30.9	38.5	26.6	31.0	26.8	34.0	26.4	29.1
	<i>Incomes measured after deducting housing costs</i>							
2011–12 (actual)	27.3	28.9	23.1	24.2	25.8	27.1	21.2	22.2
2012–13	29.4	32.0	24.1	26.0	27.8	30.0	21.6	23.3
2013–14	30.2	32.8	24.4	26.4	28.2	30.7	21.8	23.4
2014–15	31.2	34.7	25.6	27.8	29.0	32.2	23.3	24.7
2015–16	31.5	36.5	26.5	29.8	29.1	34.0	24.7	26.9
2016–17	31.5	36.3	26.4	29.4	28.6	33.3	24.8	26.8
2017–18	33.1	37.2	27.5	30.2	30.2	34.1	25.7	27.5
2020–21	35.7	39.7	29.5	31.7	32.5	35.8	27.6	29.0

Note: Relative poverty line is 60% of contemporaneous median income. Absolute poverty line is 60% of 2010–11 median income in real terms.

Source: Authors' calculations based on Family Resources Survey, 2011–12, using the IFS tax and benefit microsimulation model, TAXBEN, and assumptions specified in the text.