

GOVERNMENT CONSULTATION ON MEASURING CHILD POVERTY

This information note summarises the RSN's response to the Government's consultation on measuring child poverty. We are aware that some Sparse authorities have also submitted a response to this consultation.

Context

The Departments for Education and for Work & Pensions issued a joint consultation document about developing a better measure of child poverty. This will be used to help shape the Government's strategy and policy interventions, and to monitor its progress with its ambition to eradicate child poverty.

The last administration mainly used a relative income measure for this purpose. It counted children living in households whose income was less than 60% of the national average household income. The current Government (and some others) have criticised the use of a relative measure, noting it can give odd results. For instance, numbers in poverty on this measure have fallen during recession, but only because average household income fell.

The consultation paper also proposes that Government broadens its measure of poverty to include factors other than income. It considers including income, worklessness, unmanageable debt, poor housing, parental skill levels, access to quality schools and family stability within a multi-dimensional measure of poverty.

RSN response

The RSN's response included the following key points:

- It is important that Departments rural proof their work to develop a new child poverty measure, to ensure they do not produce something which has a bias towards urban characteristics and urban geographies, whilst overlooking rural characteristics;
- Evidence shows living costs in rural areas are higher than in urban centres, largely because of extra transport and home heating costs. This alters the point at which a household can be said to be in poverty;
- Consideration should be given to including a measure of children in households in fuel poverty, since fuel poverty affects roughly one in six households. This has an obvious impact on children's health and wellbeing;
- Consideration should be given to including a measure of children in households with poor access to pre-and after-school activities, due to distance from school and lack of public transport options. This is also relevant to the wellbeing of a child;

- Consideration should be given to including a measure of children living in households where local house prices exceed a given multiple of their household income. Those households are likely to be excluded from market housing and are more likely to be in private rented accommodation, with implications for their children's life chances;
- Any measure of children living in low income households should be set at a level which includes those with adults on the lowest wages (as well as those solely dependent on state benefits). A characteristic of many rural labour markets is low wage levels – a key issue, given they may also face higher rural living costs;
- The consideration being given by Government to including housing assets within the measure of household income should be dropped. A housing asset is not (for most) a realisable income. Moreover, it is ambiguous as high house prices can mean large mortgages, which eat into disposable income;
- The proposed worklessness measure must, at the very least, avoid measuring at points in the year where seasonal employment (in agriculture and tourism) peak. Indeed, it may be too simplistic a measure, as rural areas have disproportionate numbers in insecure employment. There may also be considerable duplication with the low income measure;
- The Government consultation asks whether there is a case for measuring an area factor e.g. the effect of growing up on a poor housing estate. RSN sees this as illogical. The other measures used should be capable of showing what spatial patterns emerge from their analysis. Moreover, such a measure would simply reflect a characteristic of urban development (large estates). Rural poverty is mainly scattered, but the proportion in poverty is close to urban levels and it is just as real;
- Government needs to make clear the difference between this new child poverty measure and the DCLG Indices of Deprivation. It should explain how and why it is using these two different approaches.

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