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Public Bill Committee

WELFARE REFORM AND WORK BILL

Fifth Sitting

Thursday 17 September 2015

(Morning)

CONTENTS

CLAUSES 4 to 6 agreed to, two with amendments.
Adjourned till this day at Two o'clock.

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The Committee consisted of the following Members:

Chairs: †ALBERT OWEN, MR GARY STREETER

† Atkins, Victoria (*Louth and Horncastle*) (Con)

† Bardell, Hannah (*Livingston*) (SNP)

Blenkinsop, Tom (*Middlesbrough South and East Cleveland*) (Lab)

† Churchill, Jo (*Bury St Edmunds*) (Con)

† Coyle, Neil (*Bermondsey and Old Southwark*) (Lab)

† Green, Kate (*Stretford and Urmston*) (Lab)

† Heaton-Jones, Peter (*North Devon*) (Con)

† Hinds, Damian (*Exchequer Secretary to the Treasury*)

† Milling, Amanda (*Cannock Chase*) (Con)

† Opperman, Guy (*Hexham*) (Con)

† Patel, Priti (*Minister for Employment*)

Phillips, Jess (*Birmingham, Yardley*) (Lab)

† Scully, Paul (*Sutton and Cheam*) (Con)

† Shelbrooke, Alec (*Elmet and Rothwell*) (Con)

† Thornberry, Emily (*Islington South and Finsbury*) (Lab)

Timms, Stephen (*East Ham*) (Lab)

Turley, Anna (*Redcar*) (Lab/Co-op)

† Vara, Mr Shailesh (*Parliamentary Under-Secretary of State for Work and Pensions*)

† Whately, Helen (*Faversham and Mid Kent*) (Con)

† Wilson, Corri (*Ayr, Carrick and Cumnock*) (SNP)

Marek Kubala, Ben Williams, *Committee Clerks*

† **attended the Committee**

Public Bill Committee

Thursday 17 September 2015

(Morning)

[ALBERT OWEN *in the Chair*]

Welfare Reform and Work Bill

Clause 4

WORKLESS HOUSEHOLDS AND EDUCATIONAL ATTAINMENT: REPORTING OBLIGATIONS

11.30 am

Kate Green (Stretford and Urmston) (Lab): I beg to move amendment 77, in clause 4, page 4, line 33, after paragraph (b) insert—

“(ba) children living in low income working households.”

To require the Secretary of State to include data on children living in low income working households in their report on the life chances of children.

The Chair: With this it will be convenient to discuss the following:

Amendment 78, in clause 4, page 4, line 35, leave out “4” and insert “1, 2, 3 and 4”.

To require the Secretary of State to include data on the educational attainment of children at Key Stages 1, 2, 3 and 4 rather than only at Key Stage 4.

Amendment 79, in clause 4, page 4, line 37, leave out “4” and insert “1, 2, 3 and 4”.

To require the Secretary of State to include data on the educational attainment of disadvantaged children at Key Stages 1, 2, 3 and 4 rather than only at Key Stage 4.

Amendment 80, in clause 4, page 4, line 37, after paragraph (d) insert—

“(e) key health indicators for children in England;

(f) key health indicators for disadvantaged children in England.”

To require the Secretary of State to include key health indicators in their report on the life chances of children.

Amendment 81, in clause 4, page 5, line 3, after paragraph (f) insert—

“(g) low income”.

A consequential amendment to amendment 77.

Amendment 82, in clause 4, page 5, line 3, after paragraph (f) insert—

“(g) key health indicators”.

A consequential amendment to amendment 80.

Kate Green: Good morning, Mr Owen. It is nice to see you in the Chair and to return to the Committee for, I am afraid, my last appearance in what has been a very enjoyable Committee.

Amendment 77 would require the Secretary of State to include, in the reports that the Bill envisages, data on children living in low-income working households as part of the reporting on their life chances. We all know the damage that poverty does to children’s life chances

and to their outcomes in the short and longer term. Poverty is correlated with poor health, poor educational outcomes and poor employment outcomes in adulthood. It is extremely damaging not only to the individuals who experience it, but to the whole country. The amendment is an important one in recognition of the high incidence of poverty in working households. Currently, the Bill only requires reporting on households that are out of work. Therefore, it is important to have a report on the impact that poverty could have on the life chances of children growing up in those working families.

The Government are fond of saying that work is the best route out of poverty. I absolutely agree that it should be, but while families in work do face a lower risk of poverty than those out of work, and the more work people can do and the more hours they can supply the lower the risk, two thirds of children growing up in poverty are in working households. The Government refuse to engage with that fact and the Bill, in failing to address it, continues that situation. Indeed, I would say that the Government are making the situation worse.

According to the Institute for Fiscal Studies, the measures we passed in the House on Tuesday on tax credits will take £3.4 billion annually from low-income families by 2020. Between those measures, the measures in the Bill and other measures in the summer Budget, we will see work incentives damaged. We have to be concerned, as a result, about the impact on in-work poverty. The changes that the House passed on Tuesday will come into force in April next year and will lower the level at which working tax credits start to be withdrawn from £6,420 to £3,850. They will also increase the taper rate at which tax credits are withdrawn from 41% to 48%, meaning that, for every £1 earned over the threshold, there will be a 48p reduction in the level of tax credit entitlement. As a consequence of those changes to working tax credit, the level at which child tax credit begins to be taken away is lowered from £16,105 to £12,125.

Although Labour welcomes the increase in the personal tax allowance and the introduction of the so-called national living wage, the Low Incomes Tax Reform Group has stated that any gains from those measures will not negate the impact of those tax credit cuts from April 2016. The IFS recently concluded that families will lose more than £1,000 a year on average from cuts to tax credits, while they will gain between £100 and £200 a year at most from the proposed national living wage. I recognise that some families will benefit from increased free childcare, but many still use informal care and many will still be left with a funding shortfall for childcare, even under the increased and more generous provisions in universal credit and in relation to older children.

The benefits freeze provisions in the Bill, and the provisions of the cap, will apply to both out-of-work and in-work benefits. We will expand on our concerns about those measures later, but we should be concerned about them given their impact on children growing up in working households. We are particularly worried about the freeze in housing benefit. Many working families rely on housing benefit, and the explosion in housing benefit in recent years is in no small measure due to the increased bill for those families. The way in which the Bill will create a disconnect between rents and housing benefit causes us real concern, especially in

high-demand areas such as those represented by my hon. Friends the Members for Islington South and Finsbury and for Bermondsey and Old Southwark, where private rents have shown no sign of falling—rather the reverse, I expect. Our concern is shared widely outside the Committee, as we heard from our witnesses in the oral evidence sessions.

I am concerned, too, about the impact of the freeze and the benefits cap on children in working families. Child tax credit and especially child benefit are a platform that help to improve the gains from paid work. Both will be frozen for four years under the Bill. Working families with children will be hit hard, but the impact will be different for different kinds of households. In that respect, it is interesting to look at the recently published research of Donald Hirsch for the Joseph Rowntree Foundation on minimum income standards. I recognise that that is not exactly the same as poverty, or child poverty, but the research gives some interesting and helpful information about how the measures in the Bill and in the summer Budget will impact on family households differently depending on size, structure and family make-up. The figures show that lone parents and large families will be the biggest losers.

A lone parent with one child, working full time on the minimum wage, was typically just short of the minimum income standard in 2010—that lone parent would have reached 97% of the objective minimum income standard through a combination of earnings, tax credits and benefits. By 2020 the shortfall will grow to between a quarter and a third—around 71%, according to the JRF research. That is for lone parents in full-time work, but many lone parents are forced to work part time because of difficulties in finding childcare, so they will benefit less from the planned rise in the national living wage as they will not be able to supply so many hours of work. The position of lone parents has also been worsened by the rising incidence of sanctions, and many families with young children have been hit as a result.

The picture for low-income working families is complex, hit by forces of opposing, but not necessarily oppositely and equally neutralising, effects. Such families require complex policy responses, but the Government's measures in the Bill and the summer Budget are certainly not complex or subtle, and they do not even show awareness of how the problems compound one another. It is important that we focus on how the measures impact on low-income working families and the children in those families, since we share with the Government the ambition that work should be a route out of poverty for those families and that work should always pay. Today it does not.

Working families and children in those families are suffering hardship and will suffer more hardship. It is disgraceful that the Government have created such a situation. It is notable that some Government Members were deeply concerned about the matter on Tuesday, when we debated the tax credits measures. We cannot undo any of those measures today under the clause that we are debating, but we can shine a spotlight and require a proper report on the effect on working households. That is what amendment 77 seeks to achieve.

Amendment 78 would require the report to include data on the educational attainment of children not only at key stage 4, as currently proposed in the Bill, but at

key stages 1, 2 and 3. I hope the Minister will be able to explain the Government's rationale for looking only at key stage 4. That is when a child is aged 16, which is late in their development—am I right? No doubt someone will intervene to correct me if I am wrong. Perhaps not colleagues from the Scottish National party, because I appreciate that the situation is different in Scotland. The clause would not affect the constituents of the hon. Member for Livingston. In passing, I note that when we debated the Bill on Tuesday, I pointed out that it would present an interesting little case study on English votes for English laws. Here is an example before us.

It is late in a child's development to look at indicators only at key stage 4. I hope the Minister will be able to explain the rationale for that approach. I had hoped there might be room for some cross-party consensus on the importance of child development at a much younger age.

Emily Thornberry (Islington South and Finsbury) (Lab): I suppose a cynic might say—I do not know whether this is right—that if there were to be a major change to child poverty, for instance that it got much worse, and we were to measure it by looking at educational attainment at key stage 4, it would give the Government many years' grace while children adversely impacted by poverty were going through the system. We would not know how bad it was until they were 16, even if we were to assume that educational attainment at key stage 4 were sufficient to measure child poverty.

Kate Green: That is a very depressing thought, but quite possibly a fair one. It will be interesting to hear the Minister's response. I do not think it is right in any circumstances to wait to measure the impact on children until they are 16. We know that the early years are a crucial developmental period. Action for Children, in written evidence, told us that

“the rapid brain development in the first two years of a child's life provides the foundations for their future health and wellbeing” and their development. Development in the early years is strongly associated with positive outcomes in later life.

Development in cognitive ability in the early years is highly predictive of subsequent achievement, with a strong relationship to educational success at school and income at age 30. By school age there are already wide variations in children's abilities, which widen throughout childhood. The gap in attainment between the poorest children and children from better-off households, already large at age five, grows particularly quickly during the primary school years.

That points to the importance of measuring at key stages 1 and 2. Children from low-income backgrounds achieve poorer development by age five than their more affluent peers. The latest statistics from the Department for Education show that less than half—45%—of pupils eligible for free school meals achieve a good level of development. Those children are falling behind before they start school, and the position worsens after they start school.

Closing the ability gap at age five enables children to do better later on in school. Those who arrive in the bottom range of ability tend to stay there. More than half—55%—of children in the bottom 20% of attainment at age seven, key stage 1, are still there at age 16, key

[Kate Green]

stage 4. By measuring, reporting and taking action at key stage 1 would be able to tell a much better story when reporting at key stage 4, instead of waiting for the disasters to pile up.

11.45 am

We know about the ongoing and worsening scarring effect of poverty as children grow. Poverty damages children when they are young, and that is compounded if it is not addressed as they grow up. We also know the damage that poverty does to children's life chances. Children from poorer backgrounds lag behind at every stage of education. On average, by the age of three, poorer children are estimated to be nine months behind children from more wealthy backgrounds. By the end of primary school, pupils on free school meals are estimated to be almost three terms behind their more affluent peers, and that gap grows to more than five terms by the age of 14, leading them to achieve, on average, 1.7 grades lower at GCSE, according to the End Child Poverty campaign. We must all want to see that gap closing, and we must identify, at every stage of a child's development, where it is not. Early preventive action, about which I know all Committee members feel strongly, will be assisted by focusing and reporting on children's life chances at each of key stages 1 to 4, rather than delaying until key stage 4 as the Bill proposes.

Amendment 79 would make a similar change to amendment 78. Amendment 80 addresses child health. I am grateful to Dr Angela Donkin from University College London's Institute of Health Equity, and Taxpayers Against Poverty, for their comprehensive and helpful briefing on the amendment.

Analysis of EU SILC—statistics on income and living conditions—data illustrates that, across Europe, material deprivation is a strong determinant of poor health and a better predictor of ill health than education or income. That makes sense: income is important to health only when it is insufficient to buy necessary items at low levels. Material deprivation is an adequacy measure, and adequacy measures are essential. The Marmot review recommended a minimum income for healthy living—an income sufficient for health given the cost of a healthy life.

Statistics clearly show that benefit levels set below the amount needed to avoid material deprivation, or below a minimum income for healthy living, will increase the prevalence of poor health. Recent research undertaken by Donald Hirsch for the Joseph Rowntree Foundation, to which I referred earlier, illustrates that those who are out of work and on benefits receive below the minimum income standard set by the relevant JRF work, and will move further from that standard by 2020. In addition, last year, for the first time ever, more people in poverty were in work than out of work.

Relative poverty declined slightly until 2011-12, but since then it has flatlined, and it is measured as a percentage of median income, which has itself gone down. On the other hand, absolute poverty has increased. Along with that, the number of people going to food banks, for example, increased to more than 1 million last year. The statistics are clear, and although income has only a small impact on health at higher levels of income, it has a significant impact at lower levels. Inadequate

incomes and short-term Government cuts and savings are placing a cost burden on the NHS now and for future years, as well as on future Governments.

Not having enough money can affect child health in various ways—for example, homelessness. Homelessness or temporary accommodation have extremely harsh effects on children's emotional and mental wellbeing. The conditions in which they live—the state of the housing—will also have a bearing. An overcrowded house will mean a child is unable to play or study. They will not have the quiet place to do homework enjoyed by a child who is adequately housed. Pressure on children's emotional wellbeing will affect their mental health. Lack of access to housing income, and so to decent housing, has a bearing on children's health that is felt most harshly by poor children.

The inability to heat one's home properly will also be damaging for one's children. When family income is insufficient to heat the home properly, children's health will be put at risk. Cold homes are linked to a range of respiratory conditions, poor mental health and higher rates of cardiovascular disease, none of which we would want our children to be exposed to.

Emily Thornberry: I am listening with care to my hon. Friend's important speech about this vital subject. She has just touched upon the impact of cold homes on children's respiratory health. Is it her experience that people come to her surgery who live not only in cold homes, but in damp ones? Damp homes have an effect on the incidence of children's asthma and a number of skin conditions, particularly when children's clothes are rotten because they are put in storage against a damp wall, carpets rot, there is insufficient air going through a property and there is overcrowding.

Kate Green: That is absolutely right. Many constituents come to my surgery particularly distressed by damp in their homes. For many parents, it is the visible manifestation of their fears for their children's health when they live in inadequate housing. In my experience, landlords are often very reluctant—in fact, extremely hostile—to do anything about problems reported to them by low-income families.

Emily Thornberry: Is it my hon. Friend's experience that landlords—including social landlords—will go in, wash the walls that are black and tell the family that they do not have their windows open sufficiently, and when the blackness comes back the family are told that it is somehow or other their fault? Does she have the same experience as me with house-proud women coming to her surgery, saying, "I wash the walls down once a month and the blackness still comes back. I keep the windows open as they tell me to, but we are so overcrowded that this is the reason for the dampness"?

Kate Green: I share exactly the experience in my Manchester constituency that my hon. Friend experiences in her inner London constituency. She, like me, may have parents coming to her saying that they have been told by their landlords that they should not hang up damp washing, but they do not have gardens, so where are they meant to put it to dry? They cannot afford to run tumble driers because the electricity bills would simply be beyond their reach. The cocktail of problems that mothers in poor housing have to cope with on

behalf of their families is really quite distressing. I am sure that hon. Members all around the Committee will have had similar cases in their surgeries. There is a real concern about housing quality and its impact on child health.

Inadequate incomes also compound food poverty, meaning that low-income groups consume less protein, iron, fresh fruits and vegetables, vitamin C, fish, oily fish and folate. Women who are seeking to conceive and pregnant women worry about what will happen to their unborn babies and children as they grow up. Inadequate diets are extremely concerning when we look at children's health and wellbeing, and are a significant consequence of low household income.

Emily Thornberry: I speak from my own experience when I lived in the east end on the Lansbury estate. The local shops did not have fresh fruit and vegetables because, largely, the people living in the area were poor and could not afford to buy fresh fruit and vegetables, so the shops did not stock them. In the end, the local authority subsidised the shops to produce fresh fruit and vegetables, but they sat on the shelves and rotted.

Kate Green: What is very interesting, as well as distressing, about what my hon. Friend said is that, when we have data, we can begin to think about solutions. We can see that the problem is a lack of access to fruit and vegetables and, perhaps, a lack of confidence among parents about how to cook or use them. Perhaps there is a lack of income or good-quality transport to go to buy better-quality food.

Earlier this week we debated how important it is to have local strategies in relation to children's poverty and life chances. What we have just heard from my hon. Friend shows how useful those local strategies can be in looking at the data, identifying the problems and creating solutions to address them. In relation to child health and its connection to poverty, having a national report and, indeed, the lower-level local strategies and reports, would be extremely helpful to improving children's health outcomes.

Children born into poverty suffer an increased risk of mortality in the first year of their lives and in adulthood. They are more likely to be born early and small, with low birth weight, and they face more health problems in later life. Preventing low birth weight should be an absolute priority for public health officials, but efforts to achieve that will be hampered if parents have insufficient income.

If children's life chances are to be fully considered, it should be recognised that life chances begin in the womb, even before birth.

Emily Thornberry: Sixteen.

Kate Green: And certainly not as late as 16, as my hon. Friend suggests.

There is a real correlation between poverty—particularly household debt—and the likelihood of mental disorders, including sleep deprivation, depression and anxiety, among new mothers. The effects of poverty are particularly evident among women. Indeed, I have often said that poverty is a gender issue—that women face much of the pain and hold much of the responsibility for coping with poverty in low-income households. Debt and lack of access to income are therefore particularly damaging for a mother's health.

That means that women are often the shock absorbers of family poverty, reducing their own consumption to ensure that other family members, and particularly their children, are provided for. Even so, it is not in a child's interests to have a mother whose health is compromised. Naturally, a mother's instinct will be to put her child first, but the child obviously also has an interest in having a healthy mother. Household incomes are therefore important in the round.

Maternal depression as a result of poverty is itself a significant risk factor in poorer social and emotional development in children. Children from disadvantaged backgrounds are more likely to start primary school with lower personal, social and emotional development, and they are at significantly increased risk of developing conduct disorders, all of which can lead to difficulties with educational attainment, relationships and mental health throughout their lives.

There has not been much research into the impacts of adding or removing money, but, overall, the correlation between economic pressures and health is a serious concern. Children in low-income families miss out on a whole range of the conditions needed for a good-quality childhood, good psychological and physical wellbeing, and good opportunities and life chances in later life.

Amendment 80 is important in focusing action on the consequences and causes of poverty in terms of health. Monitoring and reporting will also enable the Government to make the most of the substantial investment they make in the nation's health. It will enable us to make a more effective assessment of the impact of health spending on child development and the impact of parental awareness and education—for example, in relation to diet, breastfeeding or smoking cessation—on children's health. It will also give us an opportunity to look at and focus local health and wellbeing strategies in the interests of improving child health. That would not cost any money, but it would lead to much clearer accountability. I commend amendment 80 to the Committee.

The other amendments are consequential on the substantive amendments in the group, so I will not speak to them. I am grateful to have had the opportunity to address the Committee on these really important amendments. We all know that the poorest children suffer the worst outcomes, and reporting on their poverty and the individual outcomes they experience is therefore the right way to get a rounded picture of child poverty and life chances, as well as of the causes and consequences involved. It will also help us to take action to introduce the strategies to address the disadvantage that poor children face.

The Minister for Employment (Priti Patel): Good morning, Mr Owen. I thank the hon. Lady for her thoughtful contribution. She said this would be her last sitting, so I would like to thank her for her previous contributions. [HON. MEMBERS: "Hear, hear!"] During my short tenure in this role, working alongside her on welfare issues, she has been a valued colleague.

12 noon

Clauses 4, 5 and 6 will provide a statutory basis for much-needed reform to improve children's life chances. The existing measures and targets in the Child Poverty

Act 2010 focus on the symptoms of child poverty while failing to tackle the root causes, some which have been highlighted in our discussions this morning. The fundamental weakness with the existing statutory framework set around the four income-related targets of child poverty has become all too apparent. Under the current measures, we are in a rather absurd position where a growing economy drives increases in child poverty, but if the economy crashes, child poverty apparently falls, which we saw happen during the recession. Removing the flawed income-related measures and targets and replacing them with new measures of worklessness and educational attainment will drive this and future Governments to improve disadvantaged children's life chances.

The previous measures did not distinguish between those just beneath the poverty line and those at the bottom. Our new approach is focused on transforming lives through tackling the root causes of child poverty, rather than just maintaining people at marginally higher incomes. Amendments 77 and 81 seek to introduce a new statutory duty on the Government to report on children living in low-income working households and, as a consequence, to add the term "low income" to the list of terms to be defined in the annual report. That would effectively reintroduce an income-based relative poverty measure, which this Government have consistently said is flawed.

Neil Coyle (Bermondsey and Old Southwark) (Lab): I welcome you to the Chair, Mr Owen. I have a couple of questions for the Minister. She dismisses the statements of the majority of witnesses who gave evidence about the importance of the income measure. What message does she think the Government are sending to those witnesses who made a robust case for ensuring that income was retained within the measurements? The professor from Bristol University made powerful point about the UK's international standing on this issue.

Will the Minister also address the specific point about only measuring at age 16? If a 16-year-old is the target for the initial measure, they will have spent the majority of their life under a Labour Government.

Priti Patel: The hon. Gentleman's intervention is timely, because I am about to come on to some of those points.

Income-based poverty measures focus only on the symptoms of child poverty while failing to tackle the root causes. Amendment 77 would take us back to when legislation pushed the Government to get families over an arbitrary income line.

Kate Green: Amendment 77 does not only specify the measuring of income. It mentions "working households". That is what we are particularly concerned about.

Priti Patel: I recognise that, but I am going to carry on and address some of the points that have been made.

Removing income-related measures and targets and replacing them with new measures on worklessness and educational attainment will incentivise future Governments, as well as this one, to improve children's life chances. To ensure that we drive the right progress, we should not get distracted by measures that do not tackle the root causes of poverty and should instead focus on measures that do.

Hannah Bardell (Livingston) (SNP): What would the Minister say to the witness who said that we risk becoming an "international laughing stock" if we remove the targets? He felt that we had led the world, but removing the targets means that we could lag behind.

Priti Patel: No other country in the world has attempted to use statutory targets to legislate away income-related child poverty. The point that I think came out towards the end of the evidence session was that the Department will continue to publish low-income statistics as part of the households below average income—HBAI—figures anyway, so there is no assumption that we are dismissing the matter or undermining the UK's international credibility, which I think was the point that the hon. Member for Bermondsey and Old Southwark was trying to make.

Kate Green: The clauses and amendments that we are discussing are not just about publishing data; they are about reporting on the impact of what the data show on children's life chances. I stress again that amendment 77 relates to

"children living in low income working households."

The crucial word there is "working".

Priti Patel: Work remains the best route out of poverty. We know that children in workless families are around three times as likely to be in relative low-income as children in families—

Emily Thornberry *rose*—

Priti Patel: I will give way to the hon. Lady.

Emily Thornberry: The Minister is an intelligent woman and I am sure she knows what we are saying, but let me try just once more. The Government may assert that work is the best way out of poverty and may be the best way for a child to be healthy. They can assert what they want. We are asking for evidence. If a family are working, which could possibly mean two hours a week on a zero-hours contract with the children remaining in poverty, what we, the country and I am sure the Government want—if they want to do something about improving the life chances of the poorest and most marginal children—is to measure that. Let us look at some evidence so that we can have evidence-based policy as opposed to assertions made by the Government.

Priti Patel: Let me just put things into context. It is not a case of Government assertions. We are committed to reporting and have stated our commitment, in relation to earlier clauses, to report annually to the House of Commons. Perhaps the hon. Lady will allow me to get on to some of my other points about education and life chances. There is clearly a duty and obligation to report and my Department and the Government as a whole will do so in relation to various aspects of the matter. Despite the Labour party's bluster it does not recognise root causes in addressing poverty and it fails to recognise that work remains the best route out of it. Only the Government have a committed strategy to look at life chances to overcome many of the root causes of poverty, which previous Labour Governments completely ignored.

Kate Green: Will the Minister give way?

Priti Patel: I will not give way. I am going to make progress. Work remains the best route out of poverty and more people are in work under the present Government. Under the present Government and during the previous Parliament we supported people who were long-term unemployed and far removed from the labour market, and helped them to get into work. Those were predominantly households, families and individuals on low incomes.

There has been progress and we are committed to supporting parents to move into work, increasing their earnings and keeping more of what they earn. Universal credit is one example and our investment in childcare and the future national living wage will all play an important combined role. The new statutory worklessness measures will track the proportion of children in workless and long-term workless households in England. The new statutory measures on educational attainment at the end of key stage 4 will hold the Government to account for their successes in raising the attainment of all pupils in England, and specifically the attainment of those who are disadvantaged.

The importance of early years action has rightly been pointed out, and the Government of course agree about that, which is why every three and four-year old in England and the most disadvantaged 40% of two-year-olds are currently entitled to 570 hours of Government-funded early education a year. We are also committed to extending three and four-year-olds' entitlement to 30 hours a week. The early years pupil premium has also provided another £50 million in extra funding to early years providers.

Kate Green: We welcome those measures. What is the Government's problem, therefore, about reporting on their efficacy? It should be a good news story for them.

Priti Patel: The Department for Work and Pensions will, as I said, continue to publish low income statistics as part of the households below average income report, including statistics on children living in low-income households.

Amendments 78 and 79 would expand the statutory measures to include educational attainment for disadvantaged children at key stages 1, 2, 3 and 4. The amendments seem to underline the significance already placed by the Government on education as an indicator of future life chances, but we do not think it necessary to add those additional measures. Good education, as the Committee fully recognises—points have been made to that effect—is the bedrock on which to promote individuals' future successes and life chances. At the heart of that we are determined to promote social justice, with the commitment that every child, regardless of background, will be extended opportunities allowing them to fulfil their potential. Raising the educational attainment of all children will increase their capacity to shape their own futures, reducing the risk of future unemployment.

Emily Thornberry: The point about measuring only key stage 4, as my hon. Friend the Member for Bermondsey and Old Southwark said, is that the Government will be measuring achievement possibly made under a Labour Government. If there were to be a change of policy that had an adverse impact on children's educational attainment,

the Government would not be measuring it for many years, and any difficulties might therefore not be addressed until it is too late for an entire generation.

Priti Patel: I disagree with the hon. Lady. The Department for Education already publishes a great deal of data on how well pupils are doing by the end of primary school, in addition to how well disadvantaged pupils are doing at school. It is therefore wrong to make the assumption that there are no data and that the assessments come in at the end. Of course, key stage 4 is a vital point in a young person's education. It represents the culmination of primary and secondary school and provides a consistent point at which to measure attainment across all young people. Successful attainment at key stage 4 underpins future life chances, and pupils who fail to achieve at the end of stage 4 are highly at risk of becoming NEET—not in education, employment or training. Other educational data are published by the Department for Education, so we do not believe that the proposed measure would add sufficient value to warrant inclusion in the life chances measures.

Emily Thornberry: I am sure the Minister understands the essential contradiction in what she is saying. If the Department for Education is publishing data for key stage 4, why does her Department need to publish it? If her Department is publishing data for key stage 4, why not for all the others? Why do we not get everything published all together so that we get a proper picture of any failure that might be about to happen as a result of Government measures? What are the Government afraid of?

Priti Patel: With respect, the hon. Lady misses the point. The data are published already across Government, so that information is in the public domain.

Hannah Bardell: I am interested to know why the Minister talks about a commitment to reporting, but is not willing to support our amendment to have reporting to the devolved Administrations. Does she not realise that she is answerable to the people of Scotland on such matters?

Priti Patel: I have made the point about the reporting mechanisms already, including during this debate. If I may, I will move on to something the hon. Member for Stretford and Urmston touched on with regard to the range of life chances measures including key health indicators for children. In England, we also have key health indicators for disadvantaged children.

Amendment 82 is consequent on amendment 80 and requires the Secretary of State to set out in his report what is meant by "key health indicators". I agree fully with the importance that the amendments would place on children's health, but the Committee is aware that the Government have already put in place a well-developed reporting framework—the public health outcomes framework—which supports health improvement and protection at all stages of life, especially in early years. The framework includes a large number of indicators on children and young people's health and, along with the NHS outcomes framework, sets a clear direction for children's health that allows anyone to hold the Government to account.

[Priti Patel]

The Department of Health has already commissioned University College London's Institute of Health Equity to produce health inequalities indicators on a regular basis to complement the framework. Those indicators reflect the recommendations of the Marmot review, and profiles will be published for 150 upper-tier local authorities. Our decision to limit our headline statutory measures to worklessness and educational attainment was deliberate and supported by evidence.

Kate Green: What evidence supports looking only at key stage 4, given the importance of early years?

Priti Patel: I come back to the point that information is already being published. The hon. Lady is welcome to engage with the Department for Education to look at the data and to see how they inform the development of the Bill and the decision that we are taking.

Emily Thornberry: Does not the Minister appreciate that the way in which she is approaching the problem highlights just how much the Department for Work and Pensions is giving up on the idea of showing child poverty? Essentially, she has told us that, if we want to have a look at the impact of child poverty, we are to go to the Department for Education. What is the point of the Department for Work and Pensions in relation to the issue?

12.15 pm

Priti Patel: I would look at this on the basis of a whole Government strategy. This is not about Department versus Department, or Departments working in silos. If the hon. Lady listened to, or even looked at, the detail of what the Government are proposing with their life chances strategy, she would recognise very clearly that this is cross-Government work—the Department for Education, the Department of Health and the Department for Work and Pensions—to focus on the collective root causes of poverty, which cannot be looked at in isolation. It is the Government's duty to publish data across those Departments and make it available to the public.

Our focus on worklessness and educational attainment is supported by our review, published in 2013. The review makes it clear that educational attainment is the biggest single factor in ensuring that poor children do not end up as poor adults. The evidence in that review shows that long-term worklessness, and the resulting low earnings, is a highly significant factor in trapping children in poverty now. Children in workless families are about three times as likely to be in relative low-income as children in families with at least one person in work. Our new approach regarding life chances, focusing on the root causes, will drive this and future Governments to improve children's life chances. That is best achieved through a tight focus on work and education, as set out in the life chances measures in clause 4. Therefore, I urge hon. Members to withdraw the amendment.

Kate Green: That was a depressing response. The Minister attacked the measure of low income and showed a depressing lack of logic in relation to our arguments in favour of a more rounded reporting of educational attainment at the earlier stages of child development and health. She simply did not in the least—this has

been a feature of this Government and their predecessor for every year that they were in power—address poverty in working families.

I accept that the risk of being in poverty is reduced the more parents are able to be in work but, when two thirds of children living below the poverty line do so in a family where somebody is in paid employment, we have to say that the issue of in-work poverty is a serious one. It shows a real paucity of ambition for those families in working poverty that the Minister is so uninterested, not just in reporting on them, but even in addressing the point in this debate. She appears to live in some sort of fantasy land where those families are doing better; in my opening remarks, I pointed to the fact that they are doing worse. I am afraid that, in the light of the Minister's depressing response, I wish to divide the Committee on amendment 77.

Question put, That the amendment be made.

The Committee proceeded to a Division.

The Chair: The Ayes were three, the Noes 11. The Noes have it.

Guy Opperman (Hexham) (Con): On a point of order, Mr Owen. With respect, I believe that may be a miscount. I think that you meant 10 not 11.

The Chair: I will repeat the figures. The Ayes were three, the Noes 10. The noes still have it.

The Committee having divided: Ayes 3, Noes 10.

Division No. 7]

AYES

Coyle, Neil
Green, Kate

Thornberry, Emily

NOES

Atkins, Victoria
Churchill, Jo
Heaton-Jones, Peter
Hinds, Damian
Milling, Amanda

Opperman, Guy
Patel, Priti
Scully, Paul
Shelbrooke, Alec
Whately, Helen

Question accordingly negatived.

Neil Coyle: I beg to move amendment 98, in clause 4, page 5, line 10, at end insert—

“(5A) The Secretary of State must, before the end of the period of 12 months beginning with the day on which this Act is passed, publish and lay before Parliament the first life chances strategy for England.

(5B) Before the end of the period to which the strategy relates, the Secretary of State must review the strategy and publish and lay before Parliament a revised strategy.”

This ensures that the Government must produce a life chances strategy for England.

The amendment is tabled in the name of my hon. Friend the Member for Redcar, who is unable to be here because she is speaking in a debate on steel, which is a massive issue for her. She has kindly provided some speaking notes for me.

The Bill is a disgrace. It seeks to repeal some of the most noble and courageous legislation of recent years—namely, the Child Poverty Act 2010—and the ambition to end child poverty by 2020. It shows a paucity of

ambition towards tackling poverty and inequality. It flies in the face of decades of thorough and internationally recognised research into the drivers of child poverty and life chances. It seeks to hide Government failure on child poverty behind narrow, cherry-picked and less relevant reporting obligations. And crucially, to which the amendment speaks, it makes no attempt to set out a route map on how the Government intend to lift the life chances of children in this country.

What is the point in reporting on progress, unless there is a strategy that sets out what the Government will do to make that progress? The amendment would ensure that the Government produce a life-chances strategy for England and publish it before Parliament.

The Committee has received a wealth of evidence from independent experts that explores all the complex drivers of child poverty, built up over decades of professional, rigorous, evidence-based research. While issues such as worklessness and educational attainment, which the Bill measures, are important, there are many complex and inter-linked drivers, the most crucial of which is financial income, which this Government refuse to measure.

We know what the drivers of child poverty are, and we know what steps should be taken to reduce it to give children the best start in life. Under the previous Labour Government, the strategies to tackle child poverty and improve children's life chances and to ensure that every child mattered and that no one would be disadvantaged by the postcode of where they lived included the introduction of tax credits, which transformed the help available to working individuals and families, the introduction of the national minimum wage and Sure Start centres and the Every Child Matters strategy, which allowed for an holistic examination of what the state could do to combat child poverty.

That is what a strategy on child poverty and life chances would look like from a Government serious about tackling the scourge of poverty and inequality. Would a decent Government designing a strategy for tackling child poverty, or, in this case, improving life chances, include measures such as the pernicious bedroom tax, slashing tax credits for working people, when two thirds of children growing up in poverty live in families where at least one person works, reducing the benefits cap and freezing working-age benefits, the inevitable sanctioning of lone parents struggling to manage bringing up a three-year-old, or cutting Sure Start centres?

We know what works in reducing child poverty and we know what the indicators are to measure it. They include being twice as likely to live in bad housing, with significant effects on physical and mental health and educational achievement. Children in the poorest areas weigh an average of 200 grams less at birth than those born in the most affluent areas. They are more likely to die at birth or infancy, to suffer chronic illness during childhood or have a disability or long-term health condition. Children living in the most deprived areas of England have 19 fewer years of life expectancy than those in the least deprived areas.

Emily Thornberry: Is it my hon. Friend's experience, as it is mine, that there are parts of the constituency where, on one side of the road, people will live five, six, seven or sometimes 10 years more than those on the

other side of the road, because there is a poor estate on one side and richer people right next door who will live 10 years longer?

Neil Coyle: That is absolutely my experience in Bermondsey and Old Southwark. We have a massive contrast in income inequality. People who live in areas along the riverside have a higher life expectancy, and in other areas, particularly the Grange, Rotherhithe and South Bermondsey wards, about a third of children are living in poverty.

Emily Thornberry: If the child begins badly—if they are unhealthy and there are health inequalities when they are young—the chances of their dying earlier are obviously very much higher.

Neil Coyle: Absolutely. That was the point made by my hon. Friend the Member for Redcar, and it is certainly my experience of working on these issues as a councillor and now as the Member of Parliament for Bermondsey and Old Southwark.

Children from poor backgrounds are left behind at all stages of education. Without financial income, parents cannot afford the other things that contribute to life chances: school trips, decent healthy food, or a break or holiday away from home with their family. How can the Government say they are serious about improving life chances when they will stop collecting much of this data and have no evidence-based strategy to demonstrate how they intend to reach their targets?

Although the Secretary of State for Work and Pensions told the BBC's "Today" programme in 2014 that he would meet the current targets, we know that they will not be met. This does not make the goal of ending child poverty any less achievable than it was. We know from past and international experience that, with the right timeframe and the right political will, we can eradicate child poverty. If the Government were serious, they would not remove the child poverty commitment at all. If they were serious about actually improving children's life chances, they would not just report on them, but would set out a strategy to show how they intend to improve them. That is the aim of the amendment.

Priti Patel: With the amendment, the hon. Gentleman seeks to create a statutory duty on the Secretary of State to publish and lay before Parliament a life chances strategy for England and to review and revise it. Members of the Committee will recognise that the Government have made a clear commitment to publish an annual report containing data on our headline measures of children in workless households and children's educational attainment. Those are the measures that will drive the action to make a real difference to children's lives now and in the future.

In addition, the Government have committed to publishing a life chances strategy, which will reflect a wider set of measures on the root causes of child poverty, such as family breakdown, problems with debt, and drug and alcohol dependency. We have said that we will report on those measures annually. I therefore urge the hon. Gentleman to withdraw the amendment.

Neil Coyle: We have discussed some of these issues this morning. To be accused of bluster is unfortunate and insensitive when the concern is that an intervention

[Neil Coyle]

at 16 is far too late. It is unclear exactly what the Government intend to do if they discover—shock horror!—that there are children aged 16 who are educationally disadvantaged. I am fortunate, as the Member for Bermondsey and Old Southwark, to have a constituency where schools are outperforming the national standards, but this is still a massive concern for us. Intervening at the age of 16 is far too late.

I think that those in the sector will conclude that the Government, in failing to accept the amendment, are acknowledging that they have something to hide on the issue, but I will not force the amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 4 ordered to stand part of the Bill.

Clause 5

SOCIAL MOBILITY COMMISSION

Kate Green: I beg to move amendment 7, in clause 5, page 5, leave out lines 16 to 27 and insert—

“5 Social Mobility and Child Poverty Commission: additional functions

(1) After Section 8A of the Child Poverty Act 2010 insert—”

To leave the name of the “Social Mobility and Child Poverty Commission” unchanged.

The Chair: With this it will be convenient to discuss amendment 8, in clause 5, page 6, leave out lines 15 and 16.

A consequential amendment to amendment 7 to leave the name of the “Social Mobility and Child Poverty Commission” unchanged.

Kate Green: Amendments 7 and 8 seek to leave the current name of the Social Mobility and Child Poverty Commission unchanged. We are shocked at the Government’s brass neck in the way that they seek to airbrush child poverty off the statute book and, indeed, to measure and report on it.

The Child Poverty Act 2010, which established the Social Mobility and Child Poverty Commission, was passed with cross-party support. I was not in the House at the time. I was not in the House at the time; I was one of the external campaigners who warmly welcomed that the Conservative party, in particular, was taking such an interest and demonstrating such an understanding of the importance of income poverty.

12.30 pm

We were very encouraged from well before 2010 by the speech given by the Prime Minister, then the Leader of the Opposition, in 2006 at his Scarman lecture. He talked of the importance of thinking of poverty in relative terms. He said:

“The Conservative party recognises, will measure and will act on relative poverty.”

Sadly, what we have before the Committee today is an attempt to deny its existence altogether.

We heard in oral evidence from Neera Sharma of Barnardo’s last week how important a signal this will be to the sector, practitioners and the whole country of how the Government disregard the significance of poverty in relation to children’s life chances. It is a deeply

disappointing proposal from the Government. It may seem trivial to argue about a name but it symbolises something much deeper and more concerning.

Priti Patel: The amendments seek to preserve the Social Mobility and Child Poverty Commission in its original form by retaining its name and preventing the technical change to the Child Poverty Act 2010. It would retitle the relevant schedule to reflect the commission’s name change.

Clause 5 will reform the Social Mobility and Child Poverty Commission to become the Social Mobility Commission. As part of the Government’s drive to improve prospects for everyone in the country, the reformed commission will ensure independent scrutiny of the process to improve and promote social mobility. The reforms to the commission will ensure a high level of independent scrutiny of progress towards a society where everyone is able to play their full part and realise their potential, regardless of their background.

The reformed commission will look beyond the Government’s action to the important role that wider civic society plays in improving social mobility. That is crucial if we as a Government are to meet our ambitions and targets of full employment, in creating 2 million more jobs, and improving the future prospects of disadvantaged children.

The commission has already demonstrated its ability to drive forward the social mobility agenda. Its fully argued annual reports and groundbreaking research on themes such as social mobility in London schools, and evaluating the non-educational barriers to the elite professions, have helped inform the debate on how to improve social mobility. Our reforms will free the commission from having to track the Government’s progress on the old, flawed child poverty targets.

Neil Coyle: Will the Minister give way?

Priti Patel: I will not give way.

Our reforms will enable the commission to invest all its resources in galvanising effort and improving social mobility. Ultimately, reforming the commission to focus on social mobility will help to ensure that all children can reach their full potential. I urge the hon. Lady to withdraw the amendment.

Kate Green: I have no objection or disagreement with the Minister on the importance of addressing social mobility and looking at the drivers of improved social mobility. She simply must accept that around the world the compelling evidence of the importance of income poverty to all other outcomes is unquestioned. This Government will set their face against both that international evidence and their own understanding in 2010.

Corri Wilson (Ayr, Carrick and Cumnock) (SNP): Under the Bill, the Social Mobility and Child Poverty Commission will be renamed the Social Mobility Commission, with a much narrower remit. It will report on progress made towards improving social mobility in the UK, as well as in England.

The Bill is designed to have a limited impact on the current duties of the devolved Administrations. Scotland will continue to be required to produce a child poverty

strategy under a duty in a UK Act. Clearly, we will no longer be statutorily bound to report on the income targets, as they are being removed.

Removing income as a measure of poverty ignores the fact that low income impacts on children's development and wellbeing, including their development in education and their cognitive ability, behaviour and anxiety levels. Child poverty rates that had previously fallen at the beginning of the century are now at risk of being reversed. The IFS projection is that absolute poverty will stand at 3.5 million children before housing costs and 4.7 million after by 2020.

Although worklessness and lack of access to employment are key drivers of poverty, there is no recognition of in-work poverty. Therefore, income has also to be included to ensure the other measures are meaningful and that there is a tangible benchmark. How can this or any Government tackle child poverty if they do not even recognise it exists? The child poverty measurement framework recognises the importance of measuring poverty in consultation with stakeholders such as the Child Poverty Action Group, the Joseph Rowntree Foundation and Save the Children. It looked at the wide range of factors that can lead to poverty as well as providing an understanding of the impacts of poverty on children and their families.

In addition, the Scottish Government have an ambitious and robust child poverty strategy and host a ministerial advisory group on child poverty, which includes stakeholders from a variety of sectors. On 23 June 2015, Nicola Sturgeon appointed a new, independent adviser on poverty and inequality to help the Scottish Government's—

The Chair: Order. I am trying to be helpful to the hon. Lady; she is going a bit wide of the amendment. Would she come back to the amendment moved by Kate Green?

Corri Wilson: The Scottish Government will investigate a Scottish approach, building on wide support for the poverty measurement framework. We will support Labour to stop the proposals and ensure that the most vulnerable in society are protected.

Kate Green: I believe that we will have the opportunity to return to the matter on clause 6, so I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Priti Patel: I beg to move amendment 86, in clause 5, page 5, line 23, leave out from "which" to end of line 24 and insert

"section 5 of the Welfare Reform and Work Act 2015 comes into force."

This amendment brings the date from which the Social Mobility and Child Poverty Commission is to be called the Social Mobility Commission into line with the commencement of the other changes to the Commission made by clause 5.

The amendment brings the wording of the provision describing the date from which the Social Mobility and Child Poverty Commission will be called the Social Mobility Commission in line with the commencement date of clause 5—that is, two months after Royal Assent. This is a purely technical amendment, designed to ensure that the wording of the Bill is consistent.

Amendment 86 agreed to.

Question proposed. That the clause, as amended, stand part of the Bill.

The Committee divided: Ayes 10, Noes 5.

Division No. 8]

AYES

Atkins, Victoria	Opperman, Guy
Churchill, Jo	Patel, rh Priti
Heaton-Jones, Peter	Scully, Paul
Hinds, Damian	Shelbrooke, Alec
Milling, Amanda	Whately, Helen

NOES

Bardell, Hannah	Thornberry, Emily
Coyle, Neil	
Green, Kate	Wilson, Corri

Question accordingly agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clause 6

OTHER AMENDMENTS TO CHILD POVERTY ACT 2010

Kate Green: I beg to move amendment 9, in clause 6, page 6, line 18, leave out subsection 1.

Leave child poverty targets and measures unchanged.

The Chair: With this it will be convenient to discuss the following:

Amendment 97, in clause 6, page 6, line 19, at end insert—

"(1A) In section 2 (Duty of Secretary of State to ensure that targets in sections 3 to 6 are met) for "2020" substitute "2030".
This amends the Child Poverty Act 2010 to set new child poverty targets for 2030 rather than 2020. To be read in conjunction with amendment 9.

Amendment 10, in clause 6, page 7, leave out from beginning of line 25 to end of clause.

Leave child poverty targets and measures unchanged.

Kate Green: Amendment 9 would leave the child poverty targets and measures, currently provided in the Child Poverty Act 2010, unchanged.

With your permission, Mr Owen, I will also speak to amendment 97 on behalf of my hon. Friend the Member for Redcar who is engaged in a debate on the steel industry in the Chamber.

With the exception of Government Members, the importance of targets and measures of income poverty to internationally agreed definitions is unquestioned. Targets, measuring and reporting on them drive action, show progress and enable comparisons to be made: comparisons of trend data over time and other similar economies with similar demographic make-up. The importance of income poverty in that context, as we heard earlier, is linked to a range of poorer outcomes, in education, health and wider societal costs.

As I have said, there is widespread international acceptance that income is key. The Government in their own evidence review last year showed that the most important factor for children's outcomes was lack of income. That is not just income among families where no one is in work but insufficient income from earnings, too.

[Kate Green]

Other indicators are important. It is important and right to track educational, health and child wellbeing outcomes, but those are not the same as tracking poverty, as we can see clearly from the written evidence submitted by the End Child Poverty campaign.

In 2013, the Government carried out a wide consultation on whether the income poverty measurement and target regime provided for by the 2010 Act was flawed and should be replaced. Of the many responses received by the Government to that consultation, the overwhelming majority—97%—of the responses said that the measures and the targets were fine and needed no alteration.

If ever evidence of a Government who really do not care about evidence and analysis is needed, it can be found in the proposals in clause 6. One cannot help but feel that it is not evidence but fear that motivates the Government: fear that failure to meet targets, or demonstrate progress towards them, would at the very least embarrass the Government and might even raise concern in the minds of Ministers that there could be a legal threat.

Emily Thornberry: To be fair—I do wish us to be fair to the Government—those who still believe that they are compassionate Conservatives might find it difficult if measures show that they are failing.

Kate Green: That is a very charitable interpretation from my hon. Friend, but she is a charitable lady, so we should not be surprised by her generosity of spirit in Committee today.

I have spent many years looking at this territory and I know that legal challenges have been mounted in the past. I believe firmly that a challenge would not be viable against a well-intentioned, well-meaning Government who had taken purposeful action to address child poverty even if, due to external circumstances, they were not ultimately able to meet the targets they had set, especially if they were ambitious targets in the time hoped.

What we actually have is a Government who are not bothering to try to meet the targets. In the last Parliament, child poverty fell in the first two years of the coalition Government up to 2011-12. That was the result of measures introduced by Alistair Darling, the Chancellor of the Exchequer in the previous Labour Government, that had not yet been affected by the measures that the coalition Government set about introducing. Since 2011-12, while the coalition Government and the present Government have been in charge of family income strategy, child poverty has flatlined. There has been no progress at all and no strategy to improve the position of those poor families.

12.45 pm

Neil Coyle: My hon. Friend says that child poverty is flatlining, but for many families, is it not the case that absolute child poverty has risen? That is a particular concern in constituencies such as mine in inner London, and it is linked to in-work poverty.

Kate Green: My hon. Friend is right, and I shall come to that point, because it leads into something that I shall say about the measures and targets that we use.

The summer Budget and the measures in the Bill will push more families and more children into poverty. We have not yet got an analysis of the impact of the Bill or the Budget on child poverty and on the numbers of children growing up poor. It is disappointing that the Government have not laid that impact assessment before the House. We cannot know for sure what assessment, if any, the Government have made of the impact. We do not know whether they bothered to make such an assessment. From our knowledge, expertise and understanding of what drives poverty, we can expect that the impact will be pretty adverse. We can also look to the very helpful Joseph Rowntree Foundation minimum income standards research, to which I referred earlier. It points to a particularly harsh effect on the family incomes of some particularly vulnerable groups, including single-parent families, couples with several children and families who face high housing costs.

Hannah Bardell: I am listening intently to the hon. Lady and I agree with much of what she is saying. Does she agree that the alternative targets proposed are not necessarily related to poverty? Family break-up and drug and alcohol dependency affect families from all income deciles, and problem debt is generally a consequence rather than a cause of poverty.

Kate Green: The hon. Lady makes a very good point about the complexity of disentangling causes from consequences and about the fact that Ministers are giving the public distorting messages about what poverty actually is. Let me make this clear: only 4% of parents experience alcohol or drug addiction, and far from all those parents are parents of poor children. Of course, it is devastating for children who grow up in households where parents are addicted, but it is not the same as poverty and it certainly does not explain the 3.7 million children growing up in poverty in the UK today. As she rightly noted, family break-up affects families across the income spectrum. There will be hon. Members in this room who have experienced it in their own families. We should not conflate the two. While it is true that single parents and their children face a higher risk of poverty, there are measures that could be taken to ameliorate and address that consequence, instead of which the Government will make the position of those families worse.

Neil Coyle: Is there not a challenge in what the Government are attempting to suggest, in that on the one hand the Minister says their policies on tackling poverty are working but on the other suggests that the measurements, accepted by the Prime Minister when they were introduced, are flawed? Does that not expose the Government's real agenda, which is to mask their lack of effort in tackling the low-wage economy and in-work poverty?

Kate Green: My hon. Friend absolutely makes the case.

As we have heard this morning, it is also ridiculous to think that measuring worklessness alone could be a substitute for measuring poverty, when two thirds of poor children are in households where somebody works. We have repeatedly heard from the Conservative party that the measures are somehow flawed or insufficient, so let us go through carefully what the Child Poverty Act actually requires in relation to measurement and targets.

We know that the Institute for Fiscal Studies expects a rise in relative poverty in this Parliament, but it also expects that it is entirely possible that absolute poverty could fall. So there is a two-way street, if you like, built into the cocktail of measures that we have. We have four measures of poverty in the Child Poverty Act: relative income poverty; absolute poverty; material deprivation; and persistent poverty. That addresses some of the concerns that Government Members might rightly have about tracking only one measure. It is right that when median income is falling, relative income poverty alone is not sufficient to give a good picture of what is happening to our poorest families, although it remains important in tracking the gap that exists.

However, it is also right to recognise that we do not look only at relative income poverty in the Child Poverty Act. We look at absolute poverty, persistent poverty and, crucially, material deprivation. Material deprivation gives a real-life test of poverty and the public can engage with it, get their heads round it and understand it. Also, as I said earlier today, it is a particularly good predictor of health outcomes for children.

Hannah Bardell: Again, what the hon. Lady says chimes strongly with me. Is she aware that, as indicated by the House of Commons Library, the Social Mobility and Child Poverty Commission warned in 2014 that although levels of child poverty are low by historic standards,

“there is no realistic hope of the child poverty targets being met in 2020, given the likely tax and benefit system in place”?

That was in 2014, before any of these changes were made. Is this not a thinly veiled way of covering up the fact that those targets were never going to be reached?

Kate Green: We are certainly not going to reach them under the Government’s current policies; indeed, we will move further away from them. I share the hon. Lady’s scepticism about the Government’s motives, to put it gently. It is really regrettable that, rather than seeking to tackle the problem of poverty, they simply seek to remove it altogether from any understanding of the public policy world.

I hope that the Committee understands that the critique of the Child Poverty Act and its measures and targets as being somehow deficient is completely false. It is also important to understand that the measures the Government proclaim will address poverty are also false, or at least incomplete. As I said earlier this morning, the so-called national living wage will not fully compensate for cuts to benefits and tax credits. What is more, it is highly regrettable that the Government, who are fond of the argument that tax credits are simply a substitute for lower wages, fail to recognise the different functions of pay and tax credits. It is why we have a complex cocktail of policy responses to a set of different drivers of poverty.

Working tax credits compensate for low pay. That means that in households where a family member is low paid, they may derive some benefit from tax credits. Some low-paid people will not do so because they are not in low-paid households; they are the low-paid earner in a household with a high overall household income. So tax credits are a response to low pay, and they help households that suffer low income as a result of low pay to avoid the adverse effects of that low pay.

We should also recognise that the purpose of tax credits for children is not to compensate for low pay or to subsidise employers. It is about sharing among society as a whole the investment that we all have a duty, and indeed an interest, in making in the next generation, who will deliver the future productivity in our economy that will sustain us as we grow old.

We should also remember that while rising pay and an increase in the so-called national living wage are welcome, the national living wage would have to rise very substantially for parents who have no access to any other sources of income—to more than £13 an hour—before their children were lifted out of poverty. Tax credits meet that gap. If it is to be filled entirely by rising wages, that is likely to lead to substantial numbers of job losses, which Ministers would be rightly concerned about.

It is also said that the Child Poverty Act and the measures therein are deficient, because they only look at money. While I strongly contend that money is important, that is also an incorrect analysis of the provisions of the Child Poverty Act. On Second Reading, I particularly sought to draw the House’s attention to that point when I highlighted the fact that written into the Child Poverty Act is a requirement for strategies in relation to child health, children’s education, parental employment, debt—a subject of interest to Government Members—and parenting. Those are all associated with child poverty and provided for in the Child Poverty Act, but they sit alongside the provisions of the Act in relation to measuring relative income poverty and targets for it. They are not the same thing or a substitute.

I am concerned and disappointed by the provisions of clause 6. The clause is cynical and distressing and cheapens the United Kingdom in the eyes of the international community. Most importantly, it means that many of our poor children are at risk of becoming poorer, unobserved. I am frankly shocked at the brazenness of the clause.

As my hon. Friend the Member for Redcar is unable to do so today, with the permission of the Committee I will speak briefly to amendment 97, which was tabled in her name. It addresses the concern that the hon. Member for Livingston pointed out a few moments ago relating to the Government not being on track to meet the 2020 target to eradicate child poverty. That is right, but as Alison Garnham pointed out to us in her oral evidence earlier this week, the Government would not have been completely unable to reach the target in due course. Let us remember that the target, as Ms Garnham pointed out to us, is not to reach zero poverty. A frictional level of poverty will always exist. Families move in and out of poverty, but it might not be sustained if, for example, they quickly return to work. We accept that a reasonable definition of the eradication of child poverty was to reach the best level in Europe—around 10%—which is a realistic target.

The amendment tabled by my hon. Friend the Member for Redcar suggests that the target could be reasonably met by 2030, based on the trajectory that we were on before the measures in the summer Budget and the Bill. The argument for keeping the target but extending it over a realistic period is interesting. We are naturally disappointed that, for another 10 years, too many children will grow up poor, but we would rather that we retained

[Kate Green]

the measure and the target in the statute book at least to ensure that there was a mechanism to drive progress forward.

My hon. Friend's amendment is good, and seeks to give the Government leeway to deal with the difficult challenges that have existed since the 2008 financial crash and with the fact that pay either fell or was frozen in order to sustain people in employment. We recognise that time must be bought to cope with the consequences of the world financial collapse, but it is not right to give up the ambition for this generation or for future generations of children. We want the target to remain on the statute book, and amendment 97 seeks a realistic end date for that target.

Amendment 10 is similar to amendment 9 and merely addresses the same point elsewhere in the Bill.

As many hon. Members will know, I worked for the Child Poverty Action Group before I was elected to the House in 2010, and of all the measures in the Bill this is probably the one that I feel most pained, outraged and angered by. It is a disgrace. It is a disgrace and a shame that will affect our children, and I hope the Government will think again before it is too late.

Corri Wilson: I am conscious of the time, so I just want to pick out a few reasons why the SNP oppose the changes. The loss of income targets means that a fundamental driver of poverty—how much money a person has in their pocket—is essentially being deprioritised. Focusing on worklessness ignores the 67% of UK children in poverty who live in a household in which one or more adults are working. That is in-work poverty.

1 pm

The additional targets currently proposed are not necessarily related to poverty. As we have heard, family break-up and drug and alcohol dependency affect families from all income backgrounds, and problem debt is generally a consequence rather than a cause of poverty. The new measures are a step towards characterising poverty as a lifestyle choice, rather than addressing the social and economic drivers that cause people to fall into poverty. Without income-based targets, it will be impossible to measure poverty and thus combat it. We oppose the new measures.

Priti Patel: With the amendment, hon. Members seek to preserve the Child Poverty Act 2010 in its original form, including the much discussed income measure and targets, and to extend the target year of the measures from the financial year beginning 1 April 2020 to that beginning 1 April 2030. The Government do not support that position.

First, on amendments 9 and 10, the existing measures and targets in the Child Poverty Act 2010 focus on the symptoms of child poverty while failing to tackle the root causes. We have had an extensive discussion this morning about many of the root causes. As I have described, the fundamental weaknesses with the existing statutory framework, set around the four income-related targets of child poverty, have become all too apparent.

Neil Coyle: Will the Minister give way?

Priti Patel: No, I will not give way.

Removing the flawed income-related measures and targets and replacing them with the new measures of worklessness and educational attainment will drive this Government and future Governments to improve disadvantaged children's life chances, and it will strengthen our approach by tackling the root causes of child poverty. We do not believe that any number of duties, producing a UK strategy, or placing new demands on local authorities, would be a substitute for a clear commitment to report on the real root causes, which evidence tells us will make the biggest difference to improving the life chances of children and, importantly, transforming their lives. We will report on the life chances measures in this Bill and will be judged on our actions.

On amendment 97, I have described the fundamental weaknesses of the existing statutory measures and targets. It is a framework that incentivises Government action to move people from just below an arbitrary line to just over it, rather than tackling the fundamental issues that affect families, children and their life chances. Extending the target year to financial year 2030-31 will not overcome any of those fundamental weaknesses. Only by removing the flawed income-related targets and replacing them with new measures will we drive this and future Governments to improve and focus on children's life chances. The Government are focused on doing that; we will focus our resources on achieving those outcomes. It is only right and fair to children and taxpayers that we do so. The Government will not throw good money after bad; it is not fair on our children or our taxpayers, and that is precisely what Opposition Members seek to do.

Neil Coyle: Will the Minister give way?

Priti Patel: No, I will not.

We have discussed the flaws and weaknesses of the measures to some extent. Members suggest that we should extend the deadline on the same flawed measures and force future Governments to spend money on tackling symptoms, not the root causes. I recognise that Members will probably press the amendments, but I urge them not to do so.

Kate Green: I certainly will not withdraw amendment 9. I feel all the more strongly that it must be pressed to a Division in light of the Minister's response. She is a very intelligent woman, and I have a great deal of respect for her as a Minister. She is extremely able, but she must know that what she is saying is a disgrace that overlooks the myriad evidence before us and—as I think my hon. Friend the Member for Bermondsey and Old Southwark wished to point out—the position of her own party and the Prime Minister in his lecture in 2006. Her party supported what she now calls a “flawed measure” when it supported the Child Poverty Act in 2010.

If the Minister is going to try to tell me that she now thinks that the Government have had some awakening that was not available to them in 2010, I invite her to present the evidence that was not available in 2010 and is available today. She has not done so. The fact is that these targets are internationally recognised and respected, have been over many decades and were endorsed in the Government's own consultation in 2013. There is no reason why we should abandon them now.

May I raise two points with the right hon. Lady? First, she says there is a temptation to move people from just below an arbitrary line to just above it. That is

not what happened under the Labour Government. We raised incomes in every single income decile. We were ambitious for all of our children, and we remain so today. The idea that having targets or duties does not work is also a completely flawed argument. Conservative Members often like to point out that child poverty rose under Labour. Yes, it did, in one or two years, but I would point out that it doubled under the Conservatives between 1979 and 1997, whereas Labour took a million children out of poverty between 1999 and 2010. However, I accept that it rose in one or two years. As soon as we could see that we were veering off progress towards the target, we took action to bring ourselves back on track. That is the importance of targets. Any Government can make mistakes and any Government can be faced with external circumstances that make progress difficult, but without ambition and without targets to measure that ambition, there is no incentive, requirement or likelihood of action being taken to correct progress as soon as it is right and possible to do so.

I feel this matter very personally, as hon. Members may identify from the way I am speaking in the Committee this afternoon. I will press amendment 9 to a vote. I urge hon. and right hon. Members, in the interests of future generations of children, not to scrap the Child Poverty Act.

The Chair: I am grateful to the hon. Lady. It is her last speech in this Committee. I thank her and I am sure we will all miss her.

Question put, That the amendment be made.

The Committee divided: Ayes 5, Noes 9.

Division No. 9]

AYES

Bardell, Hannah	Thornberry, Emily
Coyle, Neil	
Green, Kate	Wilson, Corri

NOES

Atkins, Victoria	Patel, rh Priti
Heaton-Jones, Peter	Scully, Paul
Hinds, Damian	Shelbrooke, Alec
Milling, Amanda	Whately, Helen
Opperman, Guy	

Question accordingly negated.

Priti Patel: I beg to move amendment 87, in clause 6, page 8, line 23, at end insert—

“(c) in the section heading omit “Regulations and”.”

This amendment removes the words “Regulations and “ from the heading of section 28 of the Child Poverty Act 2010, consequential on the changes of substance to this section made by clause 6(7), which removes references to regulations.

This amendment removes the words “Regulations and” from the title of section 28 of the Child Poverty Act 2010, consequential to the changes made in clause 6(7), which removes the regulation-making powers in the 2010 Act. There is only one order-making power. It is therefore logical to remove the obsolete component of the title, “Regulations and”. This is a technical amendment designed to ensure that the wording and section titles in the 2010 Act are consistent. The change is a matter not of policy but of clarity and consistency.

Amendment 87 agreed to.

Question put, That the clause, as amended, stand part of the Bill.

The Committee divided: Ayes 9, Noes 5.

Division No. 10]

AYES

Atkins, Victoria	Patel, rh Priti
Heaton-Jones, Peter	Scully, Paul
Hinds, Damian	Shelbrooke, Alec
Milling, Amanda	Whately, Helen
Opperman, Guy	

NOES

Bardell, Hannah	Thornberry, Emily
Coyle, Neil	
Green, Kate	Wilson, Corri

Question accordingly agreed to.

Clause 6, as amended, ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned. —(Guy Opperman.)

1.8 pm

Adjourned till this day at Two o'clock.

