



## Child Poverty Action Group submission to the United Nations Special Rapporteur on extreme poverty and human rights, in advance of the visit to the United Kingdom of Great Britain and Northern Ireland

September 2018

### About Child Poverty Action Group

Child Poverty Action Group (CPAG) is a national charity working for the abolition of child poverty in the UK, and for the improvement in the lives of low-income families. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. Information about our work is on our [website](#).

### The current picture

Child poverty in the UK is increasing. Recent analysis demonstrates that not only is the number of children living in poverty increasing, but families with children who are in poverty are now living, on average, further below the poverty line than they did 10 years ago.<sup>1</sup> This is a relatively recent trend. In 2001 the Labour government committed to ending child poverty by 2020, and a comprehensive set of initiatives followed, including the introduction of a minimum wage, a more progressive tax and benefit system, protection and real-terms increases for benefits targeted at children, a childcare strategy, the Sure Start programme, and measures to encourage parental employment, particularly for lone parents. By 2010 child poverty in the UK was at a 13-year low; 1.1 million children had been lifted out of poverty, representing the biggest fall in child poverty in the OECD between the mid-1990s and 2008.<sup>2</sup> In 2010 the Child Poverty Act was passed with cross-party support, committing governments to ambitious targets to cut relative, absolute and persistent poverty, and combined low income and material deprivation.

2010 marked the beginning of the decade of austerity. The new Conservative and Liberal Democrat coalition government introduced a raft of cuts across a range of social policy areas, including the social security system. These cuts were further entrenched by the Conservative government in 2015. As outlined in our report [The Austerity Generation](#) the failure to uprate working-age benefits with inflation, the restriction of in- and out-of-work benefits to two children per family, the benefit cap, the cuts to universal credit and other measures have reduced the income of families with children more than any other group across the population.<sup>3</sup>

In 2016 the Conservative government effectively repealed the Child Poverty Act, renamed it the 'Life Chances Act' and scrapped targets, measures, reporting duties and requirements for national and local child poverty strategies. As 67% of children in poverty live in a household in which at least one

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<sup>1</sup> Bradshaw, J. and Keung, A. (2018) [UK Child Poverty Gaps Still Increasing](#), Child Poverty Action Group

<sup>2</sup> See <https://www.oecd.org/els/family/47701096.pdf>

<sup>3</sup> Tucker, J. (2017) [The Austerity Generation: the impact of a decade of cuts on family incomes and child poverty](#), Child Poverty Action Group

person works,<sup>4</sup> this 'life chances' approach (workless households and educational attainment) does not give adequate attention to in-work poverty.

Following these events the Scottish Parliament passed the Child Poverty (Scotland) Act in 2017. This includes four income-based child poverty targets to be met by 2030 and a duty to produce and report on national delivery plans. For the first time, local authorities and health boards in Scotland have a duty to produce local child poverty action reports.

This is against the backdrop of the rising costs of raising a child. Research published by CPAG shows that the minimum cost of a child in 2018 is £150,753, including rent and childcare costs.<sup>5</sup> The impact of this is increasing child poverty. 4.1 million children were living in poverty in 2016/17, taking the UK back to 1997 levels.<sup>6</sup>

### **Changes to the social security system and the impact of austerity**

CPAG has conducted research into the cumulative impact of a decade of social security cuts on families' incomes. The losses are alarming. For example, lone parents with children will be £1,940 a year worse off on average as a result of cuts in the legacy benefit system, and £2,380 worse off as a result of universal credit cuts, compared with what universal credit first promised.<sup>7</sup> We encourage you to examine our [report](#) for a full analysis. Of particular concern is the breaking of the link between need and entitlement – a fundamental principle in a means-tested social security system. Two examples of this are the benefit cap and the two-child limit.

In April 2013 the government introduced the **benefit cap**, limiting total benefit payments for working-age households. In 2016, the cap was reduced to £20,000 a year for families with children (£23,000 in London). Approximately 171,000 families with children were affected, the majority lone-parent families (115,797).<sup>8</sup> The policy disproportionately affects lone parents with young children (under 5-year-olds) who are already at higher risk of poverty.<sup>9</sup>

In April 2017 the government introduced the '**two-child limit**', which restricts eligibility to payments in child tax credit, housing benefit and universal credit to two children per family. There are some limited exceptions. When fully rolled out in universal credit, it is likely to affect around 870,000 families, with at least 2.9 million children.<sup>10</sup>

Both these policies disproportionately affect larger families. They are examples of blanket policies with no assessment of individual need, which is concerning from a human rights perspective. The

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<sup>4</sup> Department of Work and Pensions (2018) [Households Below Average Income statistics](#)

<sup>5</sup> Hirsch, D. (2018) [The Cost of a Child in 2018](#), Child Poverty Action Group

<sup>6</sup> Marsh, A. and Barker, K. and Ayrton, C. and Treanor, M. and Haddad, M. (2017) *Poverty: The Facts* (6<sup>th</sup> ed.), Child Poverty Action Group, London

<sup>7</sup> Tucker, J. (2017) [The Austerity Generation: the impact of a decade of cuts on family incomes and child poverty](#), Child Poverty Action Group

<sup>8</sup> Department for Work and Pensions (2018) [Benefit Cap Quarterly Statistics: GB households capped to May 2018](#)

<sup>9</sup> Tucker, J. (2017) [The Austerity Generation: the impact of a decade of cuts on family incomes and child poverty](#), Child Poverty Action Group

<sup>10</sup> Tucker, J. (2017) [The Austerity Generation: the impact of a decade of cuts on family incomes and child poverty](#), Child Poverty Action Group

government rationale behind many of its social security changes appears to stem from the belief that a punitive benefits system brings about behavioural change and compels people to work. As a National Audit Office report highlights, there is very little evidence to support this approach, and a number of changes have been introduced with little understanding of their likely effect on behaviour.<sup>11</sup>

Nearly a decade of cuts to social security has reduced the incomes of families already at greater risk of poverty: lone parents, families with very young children, larger families, those with a disability, and those in low-paid work. However the worst is yet to come as the four-year benefits freeze and two-child limit are yet to take their full effect. The government's flagship welfare reform programme, universal credit (UC), is also due to be fully rolled out by 2023. UC has already caused much hardship to families living in poverty in the trial areas, and we are urging the government to halt the roll-out until key problems are fixed. These include:

**Funding:** UC has now been cut so heavily that it will no longer reduce child poverty, as initially promised. For example, in 2015 the government announced huge cuts to work allowances, one of the pillars of UC designed to incentivise work by allowing people to keep more of their UC as they increase their working hours.<sup>12</sup>

**Design:** CPAG's Early Warning System (EWS) identifies problems with the social security system by gathering information about the impact of changes.<sup>13</sup> It has identified a number of UC design flaws, including mismatches between inflexible assessment periods and people's pay cycles,<sup>14</sup> 5-week waiting times for first payments, requirements that claims be managed entirely online, and high deduction rates for debts. These are causing widespread hardship and insecurity. We are also concerned that the model of providing a single payment to one household member risks restricting women's financial independence.

**Administration:** 37% of submissions to the EWS concern administrative error. Issues include mishandling or loss of evidence by the DWP, failure to include disability elements in awards, incorrect calculations of housing costs, applying the law incorrectly and giving misleading information to claimants.<sup>15</sup> We believe that the system is not coping under existing pressures, is not sufficiently automated to provide security for claimants (manual processing leads to a high rate of errors), and support for claimants to manage the system and resolve problems is inadequate.<sup>16</sup>

We are extremely concerned about the government's proposals to migrate a further 2 million households onto UC by notifying them of the need to claim and then terminating their existing

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<sup>11</sup> National Audit Office (2016), [Benefit Sanctions](#)

<sup>12</sup> See <http://www.cpag.org.uk/content/how-many-children-will-universal-credit-lift-out-poverty>

<sup>13</sup> See <http://www.cpag.org.uk/early-warning-system>

<sup>14</sup> Tucker, J. and Norris, D (2018) [Rough Justice: problems with monthly assessment of pay and circumstances in universal credit, and what can be done about them](#), Child Poverty Action Group

<sup>15</sup> Child Poverty Action Group (2018), [CPAG's early warning system – report on universal credit top issues](#)

<sup>16</sup> National Audit Office (2018) [Rolling Out Universal Credit](#)

benefits. At current rates of claim failure (1 in 5 fail due to non-compliance with the process) this risks 400,000 households being left with no benefits income.<sup>17</sup>

### **Welfare reform in Scotland**

In 2017/18 the Scottish government spent £447m on mitigating Westminster's welfare reforms, including full mitigation of the 'bedroom tax', investing £38m in the Scottish Welfare Fund and £351m in the council tax reduction scheme.<sup>18</sup>

The responsibility for a number of disability and carers' benefits is also in the process of being devolved to the Scottish government. The Social Security (Scotland) Act 2018, which establishes the legislative basis for these, contains eight overarching principles, including that 'social security is a human right.'<sup>19</sup> The principles will be reflected in a charter setting out what is expected from the government and from individuals applying for and receiving assistance. However concerns have been raised by the Scottish Human Rights Commission, CPAG and others that there is no explicit requirement for the Act's provisions to have due regard to international human rights frameworks.<sup>20</sup>

### **Impact of child poverty on children's rights**

The UK government has not incorporated the UNCRC (or the UNCESCR) into domestic law, arguing that protection of CRC rights is already provided for in existing legislation. CPAG, and many others working to protect children's rights, believe that UK law, whilst offering some important protection via the Human Rights Act 1998, does not contain adequate protection of children's rights. Furthermore, a number of legislative changes in recent years have been regressive for children's rights.

Children living in poverty under austerity are not having their rights protected. This submission has already highlighted how families with children have been worst affected by a decade of government cuts, particularly those already at greater risk of poverty. Family income is important because it has a direct causal effect on children's life chances, and therefore the realisation of their human rights.<sup>21</sup>

For example, a child's right to an education, as protected by Article 28 and 29 of the UNCRC, is affected by household income. School attendance, engagement in school, staying-on rates, years of completed schooling, and exam scores are positively affected when household income rises.<sup>22</sup> Rises in household income can also improve children's social, emotional, and behavioural outcomes.<sup>23</sup>

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<sup>17</sup> Child Poverty Action Group (2018) [CPAG's response to Social Security Advisory Committee consultation on Universal Credit managed migration](#)

<sup>18</sup> Scottish Government (2017) [Welfare Reform \(Further Provision\) \(Scotland\) Act 2012 – Annual report - 2017 Social Security \(Scotland\) Act 2018](#)

<sup>20</sup> Child Poverty Action Group in Scotland (2018) [CPAG in Scotland briefing in advance of Stage 3 of the Social Security\(Scotland\) Bill](#)

<sup>21</sup> Stewart, K. (2016) *Why we can't talk about life chances without talking about life chances*, in *Improving Life Chances*, Child Poverty Action Group, London

<sup>22</sup> Stewart, K. (2016) *Why we can't talk about life chances without talking about life chances*, in *Improving Life Chances*, Child Poverty Action Group, London

<sup>23</sup> Stewart, K. (2016) *Why we can't talk about life chances without talking about life chances*, in *Improving Life Chances*, Child Poverty Action Group, London

Conversely, poverty increases the likelihood of socio-emotional behavioural problems in children, and maternal and children's psychological distress.<sup>24</sup>

The impact of child poverty on children's rights is overwhelming, and cannot be given adequate attention here. However, making the links between the impact of poverty on children's lives and therefore the enjoyment of their rights is fundamental to any meaningful initiatives to tackle child poverty in the UK.

### **Legal framework**

In the current climate our legal framework is critical to ensuring that individual rights are protected, and CPAG has used the law to challenge government decision making on a number of issues relating to child poverty and the protection of children's rights.

For example, in July CPAG had a case heard in the Supreme Court, in which we argued that the benefit cap discriminates against lone parents and their children.<sup>25</sup> CPAG is also pursuing a challenge to the two-child policy, on the basis that it breaches children's and families' rights as protected by the Human Rights Act.<sup>26</sup>

These challenges have the potential to affect the lives of hundreds of thousands of children living in poverty. However, taking legal action against the government is a last resort. CPAG, alongside others, would prefer to work with the government to make sure social security policy is compliant with human rights law at its inception. Furthermore, it has become increasingly challenging to bring these types of legal cases.

Changes to legal aid, brought about in the Legal Aid, Sentencing, and Punishment of Offenders Act 2012, coupled with reduced funding for welfare rights advice means that very few people are provided with any assistance to challenge government decision making.

### **Conclusion**

Child poverty in the UK is rising at an alarming rate. Research by the Institute for Fiscal Studies predicts that child poverty will soar to a record 5.2 million over the next five years, eradicating the progress that has been made.<sup>27</sup> This is not inevitable: cuts to benefits are directly responsible for a significant proportion of the increase. In short, it is within the power of the UK government to reverse this trend, if they had the will to do so.

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<sup>24</sup> Wickham, S. and Whitehead, M. and Taylor-Robinson, D. and Barr, B. (2017) [The effect of a transition into poverty on child and maternal mental health: a longitudinal analysis of the UK Millennium Cohort Study](#), *Lancet Public Health* 2017; 2: e141-148.

<sup>25</sup> *(DS and others) v SSWP* UKSC 2018/0074: 71% of those affected by the benefit cap are lone parents.

<sup>26</sup> *(SC and others) v SSWP* C1/2018/1323: we contend that the policy breaches the right to family life as well as discriminating against children who, uniquely, are no longer treated as deserving of individual consideration for entitlement to subsistence benefits contrary to Article 26 UNCRC.

<sup>27</sup> Cribb, J. and Norris Keiller, A. and Waters, T. (2018), [Living Standards, poverty and inequality in the UK: 2018](#), Institute for Fiscal Studies