

Visit by the United Nations Special Rapporteur on extreme poverty and human rights to the UK in November 2018

Written submission from The Children's Society

The Children's Society

The Children's Society is a national charity that runs local services, helping children and young people when they are at their most vulnerable, and have nowhere left to turn. We also campaign for changes to laws affecting children and young people, to stop the mistakes of the past being repeated in the future. In 2017/18 we worked with over 11,000 vulnerable children and young people in our services.

Building on our 137-year history of tackling child poverty, our research expertise and policy work seeks to improve understanding of child poverty in the UK through a child-centred approach. We also continue to engage with decision makers to help disadvantaged families get the support they need to escape poverty and give their children the best start in life.

Response contents

We welcome the UN Special Rapporteur's visit in November and highlight in this submission the following key issues that we believe deserve real attention during his visit:

- Inadequate government approach to measuring and targeting child poverty.
- Inadequate resources for vital local children's social care services, which support and protect the rights of some of the most vulnerable children in the UK.
- Significant weakening of the social security safety net, particularly for vulnerable groups such as children and those with disabilities, leading to rising child poverty.
- Implementation of Universal Credit in a manner that disadvantages vulnerable groups such as children and those with disabilities.
- Changes to policy that will leave many children in poverty without access to free school meals, missing an opportunity to help these children fulfil their rights to adequate nutrition, health and educational opportunities.
- Government policies that result in thousands of asylum-seeking, refugee and migrant children and families facing extreme poverty and destitution.
- Potential Brexit risks to the support currently available for those in poverty under EU schemes and to the rights of children under EU frameworks.

These key issues respond particularly to the following specific questions in the UN Rapporteur's request for written submissions:

- Question 2 (current measurement of poverty by the government)
- Question 9 & 12 (impact of austerity measures on vulnerable groups, local governments & services)
- Question 15 & 16 (extent to which Universal Credit is achieving its goals & its impact on poverty)
- Question 25 (extent of child poverty)
- Question 26 (implications for children's rights under the UNCRC)
- Question 27 (main causes of child poverty in the UK and government responses)
- Question 28 & 29 (potential implications of Brexit for those living in poverty & protecting the human rights of low income groups).

Inadequate child poverty measurement and targeting

- 1. The Welfare Reform Act 2016 abolished four statutory government child poverty targets (based on relative low income, absolute low income, combined low income and material deprivation, and persistent low income). It also removed the requirement to report these measures to Parliament, although the government must still publish them annually.
- 2. The government instead introduced a set of 'life chances' indicators (based on children living in workless households and educational attainment of children).
- 3. We are concerned that the ability to scrutinise the Government on its child poverty policies has significantly diminished and that reducing child poverty has become a lower priority for government as a result. The replacement measures also risk ineffective policymaking that confuses causes or effects of poverty (such as educational attainment) with poverty itself.
- 4. The Government should reinstate legally binding child poverty targets and the requirement to report annual progress on them to Parliament. These targets should include measures of relative and absolute income poverty, persistent poverty and material deprivation.
- 5. The Government should also go further and ensure that the income poverty measures incorporate obligatory living costs that can be significant for families in poverty. These include housing costs that are adequate to needs, childcare costs, debt, and the additional costs faced by those with a disability.
- 6. In the longer term, a more child-centred approach to understanding poverty is needed, as children have a unique perspective that is not fully understood in existing measures of child poverty. For example, research by The Children's Society and the University of York found that children value different things from adults when asked what is necessary for a 'normal kind of life'. We developed a child-centred index of material deprivation that offers a child-reported measure of material well-being to complement existing household measures.¹
- 7. The Children's Society has an extensive poverty research programme focused on advancing a child-centred understanding of poverty in the UK (see Annex 1 for examples).

Inadequate resources for vital local children's social care services

- The Government's budget deficit reduction strategy since 2010 ('austerity') has resulted in a real-terms halving of government funding for local authorities between 2010/11 and 2017/18.²
- 9. We are particularly concerned about the ability of local authorities to meet the needs of the most vulnerable children in their areas, many of whose lives are severely blighted by poverty. Our research has found that there was a decrease of £2.4 billion in real-terms central government funding for children's services provided by local authorities between 2010/11 and 2015/16.³ We also know that local authorities with the most deprived communities have suffered the greatest reductions in spending power.
- 10. Early intervention services have been particularly affected by funding reductions. Specific early intervention funding has fallen 55% between 2010/11 and 2015/16. This is

particularly worrying because it means that, rather than catching problems early, children's lives are being allowed to develop into crisis points.

11. The Government should urgently address the funding gap in children's services. Our report shows that an additional £2 billion a year is required just to return funding to 2010 levels. Additional funding should be used to improve early intervention, such as community-based youth services, and should address inequalities between different areas.

Impact on child poverty of reduced social security safety net

- 12. The 'two-child limit' introduced in April 2017 means that child tax credit and the child element of Universal Credit are now only paid to families in relation to their first two children.⁴ There are currently transitional arrangements in place that exempt children born before 5 April 2017 from this rule, but this protection will cease for those claiming Universal Credit as of 1 February 2019.
- 13. The restrictions will mean that every family with three or more children in receipt of tax credits or Universal Credit will lose up to £2,780 per year for each additional child. We estimate this will affect around three million children.⁵ At the same time, the family element of tax credits worth £545 per family per year (and the equivalent in Universal Credit) was also abolished for new parents.
- 14. Families with children in poverty have also faced a four-year benefit freeze, meaning support for low-income families won't increase at all from 2015 levels until the end of the decade. This has affected just over four million low-income families containing seven million children. The affected families could lose around 12% from the real value of their benefits and tax credits by 2020.⁶
- 15. The Children's Society's 'Poverty Line Calculator' shows that recent welfare cuts have significantly reduced the support available to families with children below the poverty line and that children in larger families have been hit particularly hard. A couple with two children on basic out of work benefits in private rented accommodation outside of London would receive £186 per week less than the amount needed to subsist on the poverty line. This benefit shortfall has grown by 77% since 2012. With four children, they would suffer a £396 per week shortfall, which is a staggering 247% worse than 2012.⁷
- 16. Finally, most of the effects of policy changes enacted since 2015 have yet to actually filter through into current poverty rates, but they will soon. The Institute for Fiscal Studies projects that the number of children in relative poverty will rise from 4.1 million in 2016/17 to 5.2 million in 2021/22.⁸ Around 40% of this increase is directly attributable to planned tax and benefit changes, particularly the two-child limit and freeze on benefits.
- 17. The Government should think again on the two child-limit and immediately end the fouryear freeze on benefits for children.

Specific concerns with Universal Credit

18. Firstly, the Severe Disability Premium ('SDP') has been scrapped in Universal Credit. This is worth £64 a week in the legacy benefits system and is paid to around 490,0000 severely disabled adults who live on their own, with another disabled adult, or only with dependent children.

- 19. Many disabled parents receiving SDP are already relying on their children to undertake significant caring responsibilities. The SDP provides crucial support for these families with young carers and the loss of it will inevitably mean that these children will have to do even more.
- 20. Our research has found that SDP is used to provide a wide range of care services, including household tasks, personal care, transport costs and social activities.⁹ It also found that 40% of children in these households were already spending more than 15 hours a week assisting their parents. These responsibilities are already having an impact on the life chances of these children and parents also had a strong fear that their children would face social exclusion if they had any less income.
- 21. The SDP needs to be restored within Universal Credit. An alternative approach would be to pay a new 'self-care element' in Universal Credit to those who meet the eligibility criteria to have someone receive Carer's Allowance to look after them, but do not.
- 22. Secondly, 'work allowances' in Universal Credit set the amount of money that a claimant can earn before additional income affects their entitlement to benefit. These allowances were cut from April 2016, meaning that Universal Credit support for most working families was considerably reduced from that date.
- 23. In total around 2.4 million families with children would have been affected by similar changes in the tax credit system that the government decided not to pursue about 84% of those households affected.¹⁰ The proportional impact on families with children is likely to be similar in Universal Credit.
- 24. Single parents will face the largest cuts, with reductions in support of up to £2,630 per year. A tax-paying working single parent would have to earn up to almost £11,000 per year extra in order to earn back the impact of this loss.
- 25. The Government should increase work allowances under Universal Credit back up to pre-April 2016 levels.

Changes to free school meals policy for families in poverty

- 26. Under legislation in place in England until April 2018, all families claiming Universal Credit were entitled to free school meals. However, from April 2018, the Government in England introduced an earnings limit of £7,400.
- 27. Around a million school children living below the official poverty line in England currently miss out on free school meals. Most of these children would have received free school meals by the time rollout was complete had Universal Credit continued to roll out under the existing legislation. However, the Government's policy change means that those children will now continue to miss out.¹¹
- 28. This change also completely undermined Universal Credit's ability to achieve one of its core objectives. According to the White Paper introducing Universal Credit: "Universal Credit will mean that people will be consistently and transparently better off for each hour they work and every pound they earn."¹²
- 29. Contrary to this, many families will now actually end up on a lower overall income as a result of taking on additional work, once the value of free school meals (around £400 per

year per child) is taken into account. For example, a family with three children currently earning just under the \pounds 7,400 earnings limit would lose over \pounds 1,200 each year if they were to work a few more hours or get a pay rise. To make up for this they would have to increase their annual wages by over \pounds 3,600.

- 30. This is still a live policy issue in Wales, with the Welsh Government currently consulting on almost identical plans to introduce a £7,400 earnings limit. This would result in 55,000 children in Wales in poverty continuing to miss out on free school meals as a result of the proposed change.¹³
- 31. We also believe that the Welsh Government will be falling short under its specific statutory framework whereby it must have due regard to the UNCRC.¹⁴ Many of these children are going hungry at school and missing out on proven educational and health benefits from free school meals.
- 32. The Government in Wales should instead continue to allow all children in families on Universal Credit to claim free school meals.

Extreme poverty for asylum-seeking and migrant families

- 33. Among the families facing extreme poverty in the UK are thousands of asylum-seeking and migrant children whose families either access very limited support from the Home Office through asylum support or are left destitute and unable to access any welfare benefits as a result of deliberate Home Office policies that give them 'no recourse to public funds' (NRPF).
- 34. Asylum seeking families with dependent children are often entitled to receive asylum support¹⁵, until their claim is decided, and they are either granted leave to remain, or have to leave the country. It is estimated that are around 10,000 children on asylum support though actual numbers are unavailable¹⁶. Rates of support for children and their families had been frozen since 2011 but were reduced drastically in 2015 when the Government introduced a flat rate of support. Previously children under 16 in asylum seeking families received £52.96 per week yet the flat rate introduced in 2015 reduced this support to £36.95 per week. The rate was increased in January of this year to £37.75 per week, per person,¹⁷ which represents a cut of £15 per week, or around 30% specifically targeting children. As a result, the introduction of a flat rate has had a direct effect on children, pushing families into extreme poverty, typically around half of what the family would be entitled to receive under mainstream benefits. We believe that this support does not take account of children's rights under the UNCRC nor reflects the substantial evidence of the damaging impact that income poverty and deprivation have on children's lives^{18,19} and their well-being.²⁰
- 35. The government should conduct and publish a full Children's Rights Impact Assessment (CRIA) of asylum support rates, in accordance with the rights set out under the UNCRC as well as the duty to promote the welfare of children under Section 55 of the Borders, Citizenship and Immigration Act 2009. The government may be planning to find more 'savings' in the asylum support budget and we would urge the UN Rapporteur to make strong representations against any further cuts to support for children.
- 36. Children within families who can't access asylum support and have no recourse to public funds (NRPF) broadly fall into two categories: a) their parents have leave to remain in the UK but will have an NRPF condition automatically applied to their leave

which means they can work but cannot access any mainstream benefits; or (b) the family's status in the UK is unresolved meaning they are undocumented and therefore cannot work or access any mainstream benefits.

- 37. The government reforms to the family immigration rules in 2012 included a series of changes which have pushed more families into extreme poverty for extended periods of time. Under these rules, the Home Office imposes the NRPF condition to all limited leave applications including for families with dependent children and families are granted leave to remain in the UK on a 10- year route to settlement. This means they need to make 4 applications of pounds for 2.5 years at a time costing families around £10,000 per person before they can settle in the UK and at each application stage, the NRPF condition may be reapplied²¹. Typically, these are families with a British child, or a child who has lived in the UK for seven years or more. Most of the families with limited leave to remain, in our experience, are working households, often headed by single parents. The parent or parents need to afford rent and childcare but they are unable to access housing benefit, tax credits and child benefits, meaning they are struggling to make ends meet.
- 38. The Children's Society research has found that, between 2013 and 2015, over 50,000 individuals with dependents were given leave to remain in the UK along with a 'no recourse to public funds' condition, which means they have no access to mainstream welfare support. NRPF Network data shows that, in 2016/2017, a quarter of all families that approached 45 local authorities for assistance with living costs were families granted leave to remain with NRPF and, currently, 11% of families receiving support have this immigration status.²²
- 39. As part of this research, we also estimated that there are approximately 144,000 undocumented children living in England and Wales, ²³ with a significant proportion of these born in the UK and potentially eligible to register as British citizens. Even if these children become British nationals, they will be cut out from accessing vital mainstream welfare support as a result of their parents' immigration status.
- 40. Children with NRPF are not able to make use of the range of welfare benefits and related support that other young people are able to access to support their upbringing and wellbeing, including child-related welfare benefits, free school meals²⁴ and the government's 30 hours free childcare for 3 to 4 year-olds²⁵. Children in the most vulnerable situation, often with the highest level of need, are unable to benefit from schemes that other children are entitled to. Even those that are working cannot access in-work benefits, meaning that they have to turn to the local authority for top-ups.
- 41. The Children's Society's research has found that children in families subject to NRPF are more likely to be living in poverty and facing safeguarding risks because of the circumstances arising out of living with NRPF²⁶. Families with NRPF are often forced to turn to local authority children's services for support under Section 17 of the Children Act²⁷ (s17), to safeguard and promote the wellbeing of children in their area who are 'in need' and to promote the upbringing of children by their families, wherever possible. As well as supporting the needs of children that are abused or neglected, or facing domestic violence, it enables local authorities to provide accommodation financial support where families with dependent children are destitute and unable to access support elsewhere. It functions, in part, as a safety net for families who fall through the gaps of mainstream welfare benefit provision.

42. We are calling on the government must remove the NRPF condition from the leave to remain of all families with dependents under the age of 18, so that they are able to access mainstream welfare support where necessary.

Potential impact of Brexit

- 43. The EU does much to support the UK in tackling child poverty.²⁸ Most directly, the European Social Fund ('ESF') provides support for communities helping people find jobs, improving education and addressing social exclusion. Between 2014 and 2020, the ESF is expected to invest around €4.9 billion in disadvantaged communities.
- 44. We welcome the Government's recent announcement that UK organisations will continue to receive funding over a project's lifetime if they successfully bid into EU-funded programmes before December 2020.²⁹ This also confirmed plans to set up a UK Shared Prosperity Fund ('UKSPF') to replace EU structural funds after Brexit.
- 45. However, although the Government has agreed that some level of financial support will be provided after Brexit, the exact nature of this has not yet been agreed.
- 46. The Government should guarantee there will be no reduction in funding for projects supporting children and young people in poverty after Brexit. The Government should commit to an initial 6-year funding period for the SPF, and that support provided for disadvantaged communities through the fund is maintained in real terms compared to equivalent provision through the ESF.
- 47. It will also be important to monitor the impact of Brexit on poverty among EEA national children and families, particularly as their access to support and benefits is likely to change once they are no longer protected by EU legislation depending on the final agreement. As this cohort becomes subject to immigration control, they may fall under the same or similar provisions as other non-EEA nationals including the family immigration rules. This is likely to impact on those who are unable to secure settled status before the UK's exit and therefore remain undocumented as well as those coming to the UK after the transition where restrictions to services and benefits may apply.

For more information contact Iain Porter in the policy team:

iain.porter@childrenssociety.org.uk

Annex 1: Recent research into child-centred understanding of UK poverty and participatory policy work by The Children's Society

- A qualitative longitudinal study with the University of Bath following the lives of 60 disadvantaged children over three years. We published findings from the first wave of interviews last year and will be publishing further findings from the study over the next year.³⁰
- We will very shortly be publishing the findings from the Fair Shares and Families
 research project, undertaken jointly with the University of Leeds. This aims to better
 understand the ways that families obtain and share resources, how children are involved
 in these processes, and whether there are differences based on a family's socioeconomic status.
- Our youth-led Children's Commission on Poverty allowed a group of children to set the direction and make the key decisions throughout a commission investigating child poverty. Through this they exposed how the costs of school in the UK can affect children living in poverty.³¹

Annex 2: References

¹ Pople, L. and Main, G.. *Missing out: A child centred analysis of material deprivation and subjective wellbeing.* The Children's Society. January 2011. <u>https://www.childrenssociety.org.uk/what-we-do/resources-andpublications/publications-library/missing-out-child-centered-analysis-mater</u>

² National Audit Office. *Financial sustainability of local authorities 2018*. March 2018. <u>https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/</u>

³ The Children's Society, Action for Children and National Children's Bureau. *Turning the tide: Reversing the move to late intervention spending in children and young people's services.* https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/turning-the-tide

⁴ In a small number of cases children will be excluded from the limit – including some children born as a result of a multiple birth, adopted children and those in non-parental caring arrangements, and those born as a result of non-consensual sex.

⁵ The Children's Society. *Introduction of '2 child limit' risks cutting support for 3 million children*. April 2017. <u>https://www.childrenssociety.org.uk/news-and-blogs/our-blog/child-tax</u>

⁶ The Children's Society. *Millions of children face benefits freeze*. February 2016. <u>https://www.childrenssociety.org.uk/news-and-blogs/press-releases/millions-of-children-face-benefits-freeze</u>

⁷ The Children's Society. *Uncovering worrying trends with our poverty line calculator*. October 2017. <u>https://www.childrenssociety.org.uk/news-and-blogs/our-blog/uncovering-worrying-trends-with-our-poverty-line-calculator</u>

⁸ Institute for Fiscal Studies. *Living standards, poverty and inequality in the UK: 2017-18 to 2021-22.* November 2017. <u>https://www.ifs.org.uk/publications/10028</u>

⁹ The Children's Society, Citizens Advice and Disability Rights UK. *Holes in the safety net: The impact of Universal Credit on disabled people and their families.* January 2012. <u>https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/publications-library/holes-safety-net-impact-universal-credit-</u>

¹⁰ The Children's Society. Universal Credit, children and families: Backbench business debate briefing from The Children's Society. May 2016. <u>https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/universal-credit-the-impact-on-children-and-families</u>

¹¹ The Children's Society. *Free school meals and Universal Credit: Briefing on Government's proposed changes to eligibility criteria for free school meals*. January 2018. <u>https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/briefing-on-free-school-meals-and-universal-credit</u>

¹² Department for Work and Pensions. *Universal Credit: Welfare that works.* November 2010. <u>https://www.gov.uk/government/publications/universal-credit-welfare-that-works</u>

¹³ The Children's Society. *Welsh Government consultation on revised eligibility criteria for free school meals in Wales due to rollout of Universal Credit: The Children's Society's response.* September 2018. <u>https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/free-school-meals-and-universal-credit-in-wales-consultation</u>

¹⁴ Rights of Children and Young Persons (Wales) Measure 2011. <u>http://www.legislation.gov.uk/mwa/2011/2/contents</u>

¹⁵ Under Section 95 of the Immigration and Asylum Act 1999.

¹⁶ <u>https://www.childrenssociety.org.uk/sites/default/files/tcs/asylum_support_inquiry_report_final.pdf</u>

¹⁷ Children Act 1989. <u>http://www.legislation.gov.uk/uksi/2018/30/pdfs/uksiem_20180030_en.pdf</u>

¹⁸ Cooper K, Stewart K. *Does Money Affect Children's Outcomes? An update.* London School of Economics paper 203, Centre for Analysis of Social Exclusion. 2017. http://sticerd.lse.ac.uk/case/_new/research/money_matters/report.asp

¹⁹ Social Mobility and Child Poverty Commission. *Downward mobility, opportunity hoarding and the 'glass floor.* 2015. <u>https://www.gov.uk/government/publications/downward-mobility-and-opportunity-hoarding</u>

²⁰ Pople, L. *The Good Childhood Report.* The Children's Society. 2018. <u>https://www.childrenssociety.org.uk/sites/default/files/thegood_childhood_report_2018_0.pdf</u> ²¹ The Children's Society and Coram. *The impact of the 'hostile environment' on children and young people today (debate briefing).* April 2018. <u>https://www.childrenssociety.org.uk/sites/default/files/tcsandcclcbriefing-for-windrush-debate-30-april-2018-final.pdf</u>

²² Data from the NRPF Connect database, used by local authorities to share information with the Home Office <u>http://www.nrpfnetwork.org.uk/nrpfconnect/Pages/default.aspx</u>

²³ The Children's Society. *Making Life Impossible (page 10)*. 2016. https://www.childrenssociety.org.uk/sites/default/files/making-life-impossible.pdf

²⁴ NRPF Network. Assessing and Supporting children and families who have no recourse to public funds (*NRPF*). <u>http://guidance.nrpfnetwork.org.uk/reader/practice-guidance-families/eligibility-for-other-services/#135-child-maintenance</u> (accessed September 2018).

²⁵ NRPF Network. *Childcare changes will not benefit NRPF families.* 23 May 2017. <u>http://www.nrpfnetwork.org.uk/News/Pages/childcare.aspx</u>

²⁶ The Children's Society. *Making Life Impossible*. 2016. <u>https://www.childrenssociety.org.uk/sites/default/files/making-life-impossible.pdf</u>

²⁷ Children Act 1989. <u>https://www.legislation.gov.uk/ukpga/1989/41/section/17</u>

²⁸ A range of organisations including The Children's Society. *Making Brexit work for children: The impact of Brexit on children and young people.* November 2017. <u>https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/making-brexit-work-for-children</u>

²⁹ James Brokenshire (Secretary of State for Housing, Communities and Local Government). *Local Growth: Written statement to Parliament - HCWS927*. 24 July 2018. <u>https://www.parliament.uk/business/publications/written-questions-answers-statements/written-</u> statement/Commons/2018-07-24/HCWS927/

³⁰ The Children's Society. *Understanding Childhoods: Growing up in hard times.* March 2017. <u>https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/understanding-childhoods-growing-up-in-hard-times</u>

³¹ The Children's Commission on Poverty (supported by The Children's Society). At What Cost: Exposing the impact of poverty on school life. October 2014. <u>https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/publications-library/at-what-cost-exposing-the-impact-of-poverty-on-school-life-full-report</u>