



RECEIVED 18 DEC 2009

HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Tessa Jowell MP  
House of Commons  
London  
SW1A 0AA

Your ref: 01093696

17 DEC 2009

*Tessa*

Thank you for your letter of 17 November enclosing correspondence from your constituents, asking whether child poverty would be prioritised at the Pre-Budget Report 2009.

We are committed to creating a fairer society and have put in place a series of reforms that benefit working and non-working families. Between 1979 and 1997, the proportion of children in relative poverty more than doubled, resulting in the UK having one of the highest child poverty rates in the industrialised world.

This trend has been reversed. Between 1998 and 2008, 500,000 children have been lifted out of relative poverty across the UK. The latest statistics do not take into account measures announced in Budget 2007 or since then, which are expected to lift around a further 550,000 children out of relative poverty. Furthermore, the number of children living in absolute poverty has more than halved, from 3.4 to 1.7 million children, a fall of 1.7 million.

Despite this progress, we recognise that the global economic difficulties have meant that many families across the country are facing new financial stress. The 2008 Pre-Budget Report brought forward increases to Child Benefit and the Child Tax Credit, so that the child element increased by £150 above indexation in April 2009.

Budget 2009 built on this progress and announced an additional £20 a year above indexation from April 2010 for the child element of the Child Tax Credit. It also provided £270m for the Social Fund spread over 2 years.

In an important new initiative, the 2009 Pre-Budget Report announced that free school meals will be extended to primary school aged children in low income working families, directly reducing in work poverty and boosting work incentives for parents. We will also roll out additional local authority pilots of universal free school meals so that there is a pilot in a local authority in every English region. The Pre-Budget Report also announced that we will uprate Child Benefit and Working Tax Credit by 1.5% at a time of negative inflation. The Child Benefit increase is worth £24 on average to families.

We remain committed to the sustainable eradication of child poverty and have introduced the Child Poverty Bill through Parliament. The Bill places a duty on the Government to publish its strategy on how it will achieve its 2020 target. In the Pre-Budget Report 2009, we published our 5 principles that will guide our strategy: work is the best route out of poverty; families and family life should be supported; early intervention is necessary to have a sustainable impact; excellence in delivery; and cost-effectiveness and affordability.

Tom Ginn

AL

**ALISTAIR DARLING**