



2: A 2030 SDGs benchmark for poverty in the UK

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"countries are encouraged to put forward an ambitious national benchmark for reducing poverty and inequality between now and 2030 at the Summit. Such a benchmark would serve... as a key marker of national SDG ambition alongside other targets, such as those included in Nationally Determined Contributions under the Paris Agreement." – UNSG's Guidance, May 2023

Introduction

This paper addresses the second of the UNSG's recommendations for UN member states ahead of the SDG summit in September – that they identify a national poverty benchmark to focus poverty reduction efforts in the run-up to 2030.

The UK, as a whole, currently has no such benchmark, though Scotland and Wales do have relevant national objectives. This briefing paper takes stock of the UK's position in response to this recommendation, in three sections. In the **first** section, we summarise the current situation regarding poverty in the UK. The **second** section looks at the responsible government ministry in the UK and their current performance targets and metrics, alongside relevant targets in Scotland and Wales. The **third**, longest, section canvasses three potential components of a way forward for the UK in response to the UNSG's recommendations: (a) we identify the time-bound missions in the UK government's levelling up strategy, map them against the SDGs, and highlight where they intersect with a commitment to reducing multidimensional poverty; (b) given the renewed UK commitment to the SDGs, and building off the targets of the 'levelling up' agenda, we show what the global ambition would look like if applied in the context of the UK, and (c) we show how the Secretary General's call, and the SDGs more broadly, support recent critical perspectives on target-setting and the measurement of poverty in the UK.

(1) Context: the SDGs and poverty in the UK

The key SDG target for the UK in respect of poverty is:

1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.¹

The UK government standardly measures poverty in terms of relative and absolute low income, before and after housing costs.² Relative low income refers to people living in households with income below 60% of the contemporary median income; absolute low income indexes this to a base year, usually 2010/11.

On the available data (which does not fully reflect recent rises in the cost of living) there has been no progress towards this target in the UK since the commencement of the SDGs in 2015. In 2015/16, 16% of people in the UK were in 'relative low income' - living in households with less than 60 percent of contemporary median household income before housing costs; in 2021/22, this figure was 17%. In terms of recent changes, from 2020-21 to 2021-22, the percentage of individuals in relative low income increased both before and after housing costs. Housing costs are an important component of poverty in the UK: whilst 13% of people in the UK were in absolute low income before housing costs in 2021/22, this figure rises to 17% after housing costs.³

Financial measures of poverty are one part of a larger picture of multidimensional poverty - poverty "in all its dimensions" - addressed by SDG target 1.2. In 2021/22, 1.7 million people in relative low income before housing costs lived in food insecure households (households with either low or very low food security), including 600,000 children.⁴ People in poverty are more likely to have poor physical and mental health, and low life and health satisfaction. Families in poverty are more likely to have no members with formal qualifications and no adult members with a qualification equal to or above five GCSEs graded A*-C. More people below the poverty line feel unsafe walking home at night.⁵

The impacts of the cost of living crisis (but also some longer-term legacies of the COVID-19 pandemic), have not yet been seen in the most recent figures, with the latest data being for 2021/22. It is clear, though, that the cost of living crisis has exacerbated the challenges of poverty in the UK. The Office for Budget Responsibility (OBR), for example, forecasted in March 2023 that 'real household disposable income per person... will fall by a cumulative 5.7% over 2022/23 and 2023/24', mainly due to the rise of energy prices and prices of other

¹ Goal 1 – UN Department of Economic and Social Affairs

² Poverty in the UK: Statistics - House of Commons Library, p5

³ Poverty in the UK: Statistics - House of Commons Library

⁴ Poverty in the UK: Statistics - House of Commons Library, p61

⁵ Examples drawn from <u>Poverty in the UK: Statistics - House of Commons Library</u>, p65

goods that the UK imports. The OBR expects real disposable household income per person to still be below pre-pandemic levels by 2027/28.⁶

Child poverty is also addressed by SDG target 1.2. 1.6 million children were in relative low income and material deprivation in 2021/22-7% of children in the UK. Countries, in committing to the SDGs, pledge to "leave no one behind" and to focus efforts on tackling inequality and disadvantage across geography and between social groups. Reflecting this aspect of the SDG agenda, it is important to note that poverty in the UK is distributed unequally, both in geographical terms and across social groups.

In terms of *spatial* inequalities, the regions of England with the highest percentage of the population in relative low income are the West Midlands (27% in 2021/22 after housing costs), the North East (25%) and London (25%). On a 'before housing costs basis', Yorkshire and the Humber, had the highest rate of persistent low income (13%) and London (6%) and the South East (6%) had the lowest rates (2019/20 to 2021/22). On an after-housing costs basis, London had the highest rate (16%) and Northern Ireland had the lowest (9%).⁷

In terms of inequalities between *populations*, **children**, **youth**, **and older persons** are the most vulnerable age groups, with 20% of children and 18% of pensioners in relative low income, compared to 15% of working-age adults (2021/22).⁸ The proportion of people in relative low income before housing costs (BHC) was 20% for families where someone is **disabled**, compared to 15% for people living in families where no one is disabled.⁹ There are differences, too, in how poverty intersects with **ethnicity**: in 2021 data, individuals with a White head of household had lower rates of persistent low income (8%) than those with an Asian/ Asian British head of household (15%) or a Black/ African/ Caribbean/ Black British head of household (10%).¹⁰

(2) Government responsibilities and performance metrics for poverty - the Department for Work and Pensions

The UK government "is committed to a sustainable, long-term approach to tackling poverty" in the UK.¹¹ In particular, the Department for Work and Pensions (DWP) is responsible for "dealing with the causes of poverty".¹² As part of the UK's response to the SDGs, the DWP's

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⁶ Poverty in the UK: Statistics - House of Commons Library

⁷ Poverty in the UK: Statistics - House of Commons Library), p49, 51.

⁸ Households below average income: for financial years ending 1995 to 2022

⁹ Poverty in the UK: Statistics - House of Commons Library, p44

¹⁰ Income Dynamics: income movements and the persistence of low income, 2010 to 2021

¹¹ <u>Children in poverty: Measurements and targets: Government Response to the Committee's Third Report - Work and Pensions Committee</u>

¹² Department for Work and Pensions

2021-22 Outcome Delivery Plan is mapped against SDG targets, with Outcomes 1 and 3 identified as relevant to SDG target 1.2.¹³

Target 1.2 is measured by two global SDG indicators:

- 1.2.1- Proportion of population living below the national poverty line, by sex and age.
- 1.2.2- Proportion of men, women and children of all ages living in poverty in all its dimensions.

The DWP measures progress on Outcome 3 - 'Priority outcome 3: Address poverty through enabling progression in the workforce and increasing financial resilience'- through two indicators. The first of these, 'absolute poverty before housing costs', is an appropriate national counterpart to SDG indicator 1.2.1. However, the DWP does not measure *multidimensional* poverty, as in SDG indicator 1.2.2 – something that has been identified as a weakness (see section 3 below). It should be noted, too, that the DWP link for its reporting on this indicator is out of date, linking only to the 2018 dataset.¹⁴

The second DWP metric for its outcome on "addressing poverty" is the "number of children in workless households". This metric perhaps reflects the government's position that work is the best route out of poverty. The statistics given in the 2021/22 report show a decrease in the number of children in workless households, though this positive trend has been reversed in the most recent data. However, this is not itself a metric of child poverty, most obviously because the majority of children in poverty live in households where one or more parents are in work. A much broader array of data is available on UK child poverty, but this data is, to our knowledge, not a performance indicator for any government department.

Child poverty benchmarks in the devolved administrations

In contrast to the UK Government, devolved administrations in the UK *do* have poverty benchmarks already, at least for child poverty. The Child Poverty (Scotland) Act 2017 sets out targets to reduce the proportion of children in poverty by 2030 and progress towards this target is reported annually. ¹⁸ The four targets established in that Act - relative poverty, absolute poverty, low income, and material deprivation - are all in line with or exceed the global SDG ambition when comparing 2030 targets to 2015 benchmarks, and constitute appropriate benchmarks in response to the Secretary General's recommendation. ¹⁹ As of

¹³ Department for Work and Pensions Outcome Delivery Plan: 2021 to 2022

¹⁴ Households below average income: 1994/95 to 2016/17 - GOV.UK (www.gov.uk) — the link should be to Households below average income: for financial years ending 1995 to 2022 - GOV.UK (www.gov.uk)

¹⁵ <u>Children in poverty: Measurements and targets: Government Response to the Committee's Third Report -</u> Work and Pensions Committee

¹⁶ On 2021/22 figures, 31% of children in relative low income lived in workless households; 69% in households where all or at least one adults worked – <u>Households below average income</u>: for financial years ending 1995 to 2022, table 4.3db.

¹⁷ The 2021 Work and Pensions Committee Inquiry (see below) similarly recommended a wider, consolidated dashboard of child poverty statistics: <u>Children in poverty: Measurement and targets</u>

¹⁸ Poverty and Income Inequality in Scotland 2019-22

¹⁹ Child poverty summary - Scotland

December 2019, Wales has five key poverty benchmarks focusing on young people in relative income poverty.²⁰ The most recent report in 2022 showcases work towards the five goals and highlights five new aims.²¹

(3) Ways forward for the UK

3.1: Levelling up and the SDGs

The recent Levelling Up the UK White Paper identifies a set of 'missions' – timebound objectives – addressing regional disparities in the UK.²² Though it does not otherwise mention the SDGs, the White Paper notes a similarity with the "mission-based" approach of the SDGs, and makes the case for the distinctive value of such an approach (p118). Table 1, below, maps these missions against SDG Goals and especially salient Targets:

The 12 'Missions'	SDG	Relevant SDG Targets
1. By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	 8.2 Achieve higher levels of economic productivity 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation 8.5 By 2030, achieve full and productive employment and decent work for all women and men 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
2. By 2030, domestic public investment in Research & Development outside the Greater Southeast will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation	8 DECENT WORK AND ECONOMIC GROWTH 9 INGUSTRY, INNOVATION AND INFRASTRUCTURE	(8.3 again) 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries by 2030, encouraging innovation and substantially increasing the number of research and development workers

²⁰ Child-poverty strategy for Wales

²¹ Child poverty strategy: 2022 progress report

²² Levelling Up the United Kingdom White Paper, p120

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and productivity growth.		
3. By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.	11 SUSTAINABLE CITIES AND COMMUNITIES	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
4. By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020
5. By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.	4 QUALITY EDUCATION	 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
6. By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training

7. By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.	3 GOOD HEALTH AND WELL-BEING	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being 3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
8. By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.	3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
9. By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.	11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS	11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage 11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships
10. By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.	11 SUSTAINABLE CITIES AND COMMUNITIES	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
11. By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.1 Significantly reduce all forms of violence and related death rates everywhere

12. By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.



11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

16.6 Develop effective, accountable and transparent institutions at all levels 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

Table 1: Levelling up missions mapped against the SDGs

The mapping of the levelling up missions in Table 1 above, is a useful first step for understanding the alignment between these two mission-based frameworks. The mapping is, overall, easy and successful: these national missions can be mapped straightforwardly onto the SDG targets across a whole range of Goals, reinforcing the domestic relevance of the SDGs for the UK.

Like the SDGs, the missions for the UK offer differing levels of ambition and different degrees of specificity. Some of the levelling up targets offer more specific and measurable language than the global SDG targets - e.g. on education (mission 5): if linked to the SDGs, these might constitute national benchmarks that squarely reflect and adapt global SDG targets to the UK national level. In other cases, the ambition is much less specific – often not specifying the desired improvement (e.g. missions 8, 9, 11). The target on national 5G coverage is unambitious - arguably achieved at the time of the strategy's launch - whilst the target that 90% of children in England will achieve the expected standard requires a very steep improvement from the current level of 59%.

The SDGs offer a useful framework for considering whether these ambitions are the right ones, but also how they synergise with other potential societal objectives or where there might be tensions, trade-offs, or other relationships.

Thinking about the levelling up missions from an SDG perspective also allows us to identify areas that are clearly missing. Significantly, there are no mentions of the environment in any of the UK's missions, posing the question of how these connect to the UK's environmental ambitions. It is striking, for example, that there is no mission on green growth or a just transition. An SDG framework can help make these connections - for example, SDG 12 connects 'pride in place' and wellbeing to access to green space; SDGs 8, 9 and 12 connect research and development and productivity growth to ideas of green growth, decoupling and just transition.

The levelling up missions and multidimensional poverty

Aspects of the levelling up missions clearly address elements of multidimensional poverty such as local crime, skills, housing, health, and access to transport. They might offer an alternative or supplement to the DWP metrics as a framework of targets and indicators for measuring progress on poverty in the UK. But the missions currently do not draw this link. As a rough indicator, across the 332-page document, the term poverty is only mentioned 9 times (five of these in the context of fuel poverty). The effects of these different missions, and their relationships with dimensions of poverty, are not systematically considered.

One response, then, to the UN's recommendation to establish a poverty benchmark would be to highlight the potential relevance of these missions as time-bound benchmarks tracking aspects of poverty, whilst carrying out a further, systematic analysis of what these amounted to in terms of poverty and inequality reduction. The SDGs could be a useful vehicle for that analysis.

3.2: Adopting the global target as the UK benchmark

A second, complementary approach to a UK poverty benchmark is indicated by the statement in the letter co-signed by the Prime Minister that "we are still far from achieving our United Nations Sustainable Development Goals (SDGs) by 2030". The Foreign Secretary's speech at the HLPF similarly notes that "we are on course to miss a staggering 88% of the targets we set" (italics added).²³

Given this indication of a firm UK commitment to the targets of the SDGs, and the absence of any other national target, the UK can be regarded as adopting the global poverty target of the SDGs, to "reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions". In the UK context, this means a reduction from 16% of individuals in the UK to 8%, and from 20% of children to 10% of children — in addition to more detailed analysis of particular disadavantaged groups and dimensions of poverty.

Clearly, in the context of - at best - no improvement in this figure over the first half of the SDGs, this is a challenging target, though some aspects of the levelling up missions seem to be similarly ambitious.

3.3: Towards multidimensional targets and metrics for the UK

Lastly, it is important to note ways in which the SDGs intersect with recent policy recommendations around two key themes from parliament and other stakeholders on poverty in the UK – (i) the value of poverty targets (such as this benchmark) and (ii) the importance of broader measures of multidimensional poverty.

²³ Foreign Secretary's Speech: UN High-Level Political Forum on Sustainable Development 2023

On poverty **targets**, a 2021 Work and Pensions Committee Inquiry considered the role that child poverty targets can play, noting that targets can help to "focus minds". The Committee recommended that "The Government must also be committed to reducing child poverty, with a clear strategy which is supported by measurable objectives and strong delivery plans. As part of a new cross-departmental strategy, the Government should set clear, ambitious and measurable objectives and plans for reducing child poverty."²⁴ The UNSG's call for a national, multidimensional poverty benchmark reinforces this recommendation. It seems clear that the current DWP metrics do not fulfill this role, in respect of child poverty or poverty more generally.

On poverty **metrics**, as of March 2023, DWP is resuming work (which had been suspended) to develop experimental statistics to strengthen the evidence base on poverty in the UK in response to the 2018 report of the Social Metrics Commission.²⁵ This call for better poverty metrics is echoed in the 2021 Work and Pensions Committee report on child poverty. Given that government progress on these statistics seems somewhat uncertain, it is useful to note that the specific focus on multidimensional poverty, and the broader interlinked and disaggregated agenda of the SDGs, again supports this direction of travel.

Conclusion

The UK, then, does not have a poverty benchmark for 2030 (though this picture is importantly different for Scotland and Wales), but this paper has shown three strands through which the government could respond positively to the UNSG's recommendation.

We recommend that the UK respond by (i)developing and deepening the Levelling Up strategy into a set of multidimensional poverty benchmarks and strategies that together (ii)address the "headline" ambition of the SDG poverty target in the UK whilst (iii) recommitting to new poverty metrics that can track these refined objectives and strategies.

²⁴ Children in poverty: Measurement and targets

²⁵ Development of a new measure of poverty: statistical notice