

Local indicators of child poverty after housing costs, 2021/22

Summary of estimates of child poverty after housing costs in local authorities and parliamentary constituencies, 2014/15 – 2021/22

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Contents

1.	Introduction	1
2.	Local authority and parliamentary constituency rates in 2021/22	3
3.	The effect of housing costs	5
4.	Change over time	7
5.	Additional analysis of demographic and local area characteristics	10
	5.1 In-work poverty	10
	5.2 Household composition	12
	5.3 Disability	17
	5.4 Ethnicity	20
6.	Conclusion	23

CAUTIONARY NOTE ON THIS YEAR'S DATA

The statistics on local child poverty rates after housing costs presented in this report are calibrated to regional two-year average rates from Households Below Average Income (HBAI). Due to sampling issues during 2021/22 related to the Covid-19 pandemic, additional caution may be required in interpreting these statistics. More information on the technical issues with HBAI is available [here](#).

DWP advise that while the data for FYE 2021 and FYE 2022 has undergone extensive quality assurance prior to publication, users exercise additional caution when using the data for FYE 2021 and FYE 2022, particularly when making comparisons with previous years and for local areas across countries. We further recommend particular caution in interpreting year-on-year changes in local areas, and advise focussing on longer-term trends when looking at change over time.

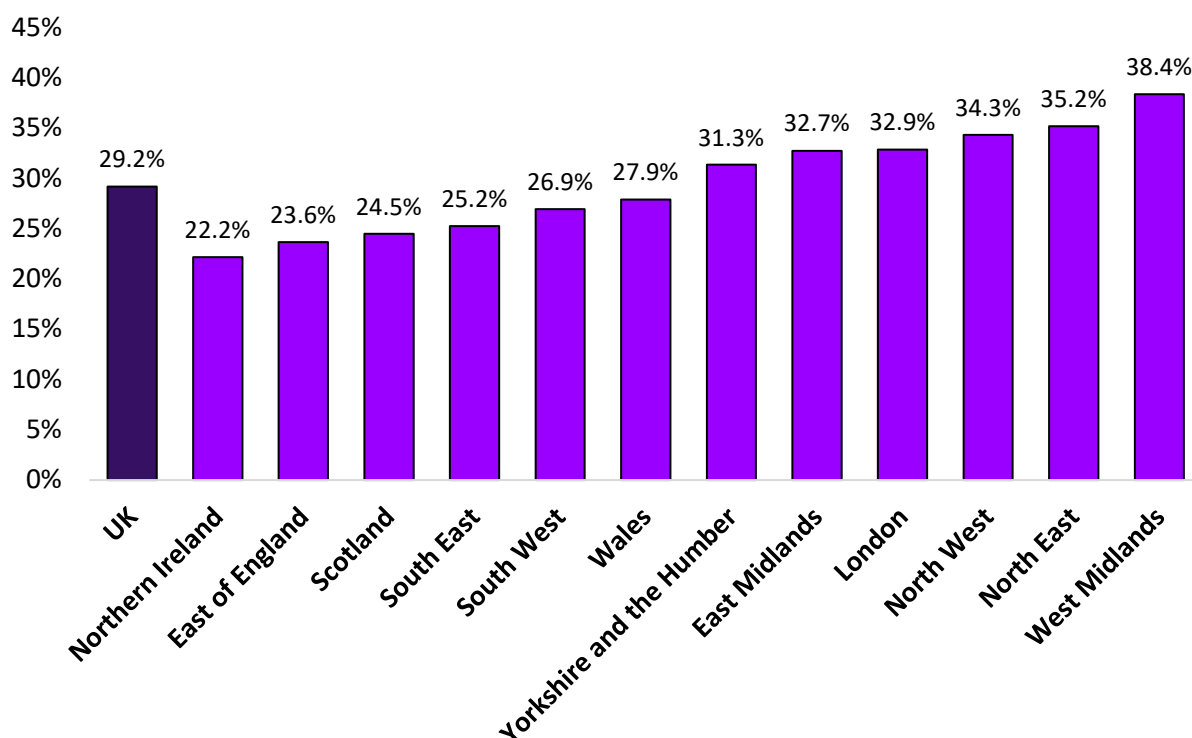
1. Introduction

This report summarises the latest data on local child poverty after housing costs, produced for the End Child Poverty Coalition by the Centre for Research in Social Policy at Loughborough University. The data are for the year ending March 2022. The data do not, therefore, cover the period during which the cost-of-living crisis really took hold, nor the period of extremely high and rising inflation that has been particularly prominent in relation to the costs of food and fuel. The data also have yet to reflect the full impact of the Scottish Child Payment.¹ However, the period does include a six-month extension to the £20 per week increase the standard allowance of Universal Credit (UC) provided by the Government in response to the Covid-19 pandemic. This uplift, amounting to just over £1,000 additional income per year for households in receipt of UC, was removed in October 2021. This measure is likely to have pushed down poverty rates for families during this period. Nevertheless, rates remain high across the UK, with regions in the North of England and the Midlands faring particularly badly based on this year's estimates. Figure 1 shows overall rates of child poverty in the regions and countries of the UK in 2021/22.

These regional statistics derived from the Households Below Average Income (HBAI) data released annually by the Department for Work and Pensions (DWP) are considered the official poverty statistics for the UK. They are usually based on three-year averages, but due to the Covid-19 pandemic, collection of household-level data via cross-sectional surveys such as the Family Resources Survey (on which the official poverty statistics are based) became more problematic, and the 2020/21 survey included only around half the usual sample. The single-year regional estimates for 2020/21 were therefore considered less reliable than usual, so the regional statistics for 2021/22 exclude these data and instead use the two-year average of 2019/20 and 2021/22.

¹ The Scottish Child Payment was first rolled out in February 2021, but only for eligible families with children aged younger than six, at a modest rate of £10 per week (increased to £20 a week in April 2021). However, in November 2022, eligibility for the payment was extended to Scottish Child Payment rolled out to families with children under 16 years old and the payment increased for a third time to £25 per week per child.

Figure 1 Percentage of children in poverty, AHC 2021/22, by country and region



Source: HBAI 2019/20 to 2021/22 (DWP).
UK statistic is for 2021/22, regional statistics are 2-year averages

The local area statistics detailed in this report are based on an alternative data source that can be used to examine geographical variation in child poverty – the DWP’s *Children in low income families: local area statistics*, which estimates the percentage of children living in households with below 60% median income in local areas.² However, because administrative data on housing costs are not routinely collected, the statistics are only reported on a ‘before housing costs’ (BHC) basis. Therefore, they do not provide a complete picture of how the *disposable* income of households with children varies geographically, and underestimate poverty rates in regions like London where housing costs are very high.

To address this issue, we developed a method for adjusting the BHC statistics to estimate the effect of varying housing costs on child poverty in local areas. The method is outlined in detail in our [original 2020 paper](#). Briefly, we use administrative data on rents for local authorities, combined with household-level data from the *Understanding Society* longitudinal survey³ to estimate the relationship between housing costs and the relative risk of being in poverty before and after housing costs. We then use this information to adjust the BHC statistics for local authorities. For constituencies, for which local rent data are not available, we also include information on median house prices.⁴

² <https://www.gov.uk/government/collections/children-in-low-income-families-local-area-statistics>

³ University of Essex, Institute for Social and Economic Research. (2022). *Understanding Society: Waves 1-12, 2009-2021 and Harmonised BHPS: Waves 1-18, 1991-2009*. [data collection]. UK Data Service. SN: 6614, <http://doi.org/10.5255/UKDA-SN-6614-16>.

⁴ The AHC local area statistics are, like the BHC data, calibrated to 2-year regional averages from HBAI and are therefore subject to the same caveats regarding interpretation due to the sampling issues.

2. Local authority and parliamentary constituency rates in 2021/22

Tables 1 and 2 show the 20 local authorities and constituencies with the highest child poverty rates, after housing costs, in 2021/22, the latest year for which data are available.

Table 1 The 20 local authorities with highest child poverty rates, 2021/22

Local authority	% of children below 60% median income after housing costs, 2021/22
UK	29%
Tower Hamlets	47.5%
Birmingham	46.4%
Manchester	44.7%
Sandwell	44.6%
Newham	43.7%
Oldham	43.6%
Stoke-on-Trent	43.5%
Hackney	43.4%
Walsall	43.3%
Wolverhampton	43.3%
Pendle	42.5%
Blackburn with Darwen	42.2%
Barking and Dagenham	42.1%
Bolton	41.6%
Hyndburn	41.6%
Nottingham	41.0%
Burnley	40.7%
Leicester	40.6%
Middlesbrough	40.6%
Rochdale	40.5%

Table 2 The 20 parliamentary constituencies with highest child poverty rates, 2021/22

Constituency	% of children below 60% median income after housing costs, 2021/22
UK	29%
Birmingham, Ladywood	54.6%
Birmingham, Hodge Hill	54.0%
Birmingham, Hall Green	53.7%
Oldham West and Royton	51.3%
Bolton South East	50.9%
Manchester, Gorton	50.8%
Warley	50.5%
Bethnal Green and Bow	50.5%
Birmingham, Yardley	50.4%
Blackburn	49.7%
Birmingham, Perry Barr	49.6%
Blackley and Broughton	49.4%
Middlesbrough	48.7%
Stoke-on-Trent Central	48.6%
Oldham East and Saddleworth	48.6%
Manchester Central	48.1%
West Bromwich West	48.0%
Stoke-on-Trent North	47.8%
Derby South	47.6%
West Ham	47.5%

As in previous years, once housing costs are taken into account, local authorities in London are most commonly affected by high levels of child poverty. Rates are also high in other large urban areas, including Birmingham and Manchester, and in areas of the Midlands and North East.

3. The effect of housing costs

This report has used the after-housing cost indicator of child poverty as the best indicator of how families experience low disposable income. Tables 3 and 4 show in which local authorities and constituencies adjusting for housing costs makes the most difference. As in previous years, the greatest differences are in London, where housing costs are greatest.

Table 3 The 20 local authorities with the highest AHC compared to BHC poverty rates, 2021/22

Local Authority	% of children below 60% median income AHC		
	AHC	BHC	Percentage point difference
UK	29%	20%	9ppt
Tower Hamlets	47.5%	26.7%	20.8ppt
Hackney	43.4%	23.4%	20.0ppt
Camden	39.6%	19.8%	19.8ppt
Newham	43.7%	24.1%	19.6ppt
Islington	37.2%	18.5%	18.7ppt
Barking and Dagenham	42.1%	23.9%	18.2ppt
Southwark	36.2%	18.4%	17.8ppt
Waltham Forest	38.1%	20.5%	17.6ppt
Lambeth	35.5%	18.1%	17.4ppt
Westminster	31.4%	14.2%	17.2ppt
Haringey	35.1%	18.0%	17.1ppt
Brent	35.6%	18.5%	17.1ppt
Greenwich	35.9%	18.9%	17.0ppt
Lewisham	32.8%	16.8%	16.0ppt
Ealing	31.5%	15.7%	15.8ppt
Redbridge	32.4%	16.7%	15.7ppt
Hounslow	31.9%	16.2%	15.7ppt
Enfield	30.9%	15.6%	15.3ppt
Harrow	30.6%	15.4%	15.2ppt
Hillingdon	31.0%	15.9%	15.1ppt

Table 4 The 20 constituencies with the highest AHC compared to BHC poverty rates, 2021/22

Constituency	% of children below 60% median income AHC		
	AHC	BHC	Percentage point difference
UK	29%	20%	9ppt
West Ham	47.5%	23%	24.5ppt
Bethnal Green and Bow	50.5%	26%	24.4ppt
East Ham	47.2%	23%	24.3ppt
Hackney South and Shoreditch	45.6%	22%	23.8ppt
Mitcham and Morden	42.8%	19%	23.8ppt
Tottenham	43.9%	21%	23.4ppt
Poplar and Limehouse	43.3%	21%	22.8ppt
Ealing, Southall	39.6%	18%	21.8ppt
Feltham and Heston	40.6%	19%	21.8ppt
Edmonton	40.3%	19%	21.6ppt
Islington South and Finsbury	37.9%	16%	21.5ppt
Ealing North	38.3%	17%	21.2ppt
Hackney North and Stoke Newington	40.1%	19%	21.2ppt
Holborn and St Pancras	38.9%	18%	20.8ppt
Vauxhall	39.6%	19%	20.3ppt
Walthamstow	40.0%	20%	19.9ppt
Croydon North	36.5%	17%	19.7ppt
Barking	43.1%	24%	19.6ppt
Brent North	38.5%	19%	19.4ppt
Ilford South	39.2%	20%	19.3ppt

While high housing costs are clearly closely linked to the risk of child poverty in London and other high housing costs areas, the variation both between and within regions requires further explanation. The next section highlights a number of key demographic factors that may contribute to this.

4. Change over time

While we advise caution in looking at year on year changes in child poverty rates, the longer-term trend over the period covered by these statistics can provide some insight into how child poverty has been changing over time. Table 5 shows the AHC child poverty rate in 2014/15, compared with 2021/22, for the regions and countries of the UK. While the rate in the UK is similar in the two time-points, some areas have shown a marked increase in child poverty rates during this period. In particular, the rate of child poverty in the North East increased by 9 percentage points over the seven-year period shown here. Substantial increases can also be seen in the Midlands and the North West.

Table 5 Percentage of children in poverty after housing costs by region and country of the UK, 2015 to 2022

Country/Region	% of children below 60% median income AHC		Percentage point change (2015-22)	Percentage change
	2014/15	2021/22		
UK	28.5%	29.2%	0.7ppt	2.5%
England	28.3%	30.8%	2.5ppt	8.8%
East Midlands	24.9%	32.7%	7.9ppt	31.3%
East of England	24.2%	23.6%	-0.5ppt	-2.5%
London	37.3%	32.9%	-4.4ppt	-11.8%
North East	26.3%	35.2%	8.9ppt	33.8%
North West	28.9%	34.3%	5.4ppt	18.7%
South East	24.4%	25.2%	0.8ppt	3.3%
South West	25.5%	26.9%	1.4ppt	5.5%
West Midlands	30.1%	38.4%	8.3ppt	27.6%
Yorkshire and the Humber	28.0%	31.3%	3.4ppt	11.8%
Wales	29.1%	27.9%	-1.2ppt	-4.1%
Scotland	21.6%	24.5%	2.9ppt	13.4%
Northern Ireland	25.3%	22.2%	-3.2ppt	-12.3%

Tables 6 and 7 show the 20 local authorities and constituencies, respectively, that have seen the biggest increase in child poverty rates since 2014/15. Reflecting the regional statistics, the local areas most strongly affected are primarily in the North and the Midlands; while AHC child poverty is high overall in London, the region has not seen the same increase in poverty as in these other regions. The gap between rates in London and the other regions has narrowed over time, to the point that London is no longer the area with the highest rate of AHC child poverty, with the North East and the West Midlands now faring the worst.

Table 6 The 20 local authorities with the biggest increase in AHC child poverty rates, 2014/15 to 2021/22

Local authority	% of children below 60% median income AHC			
	2014/15	2021/22	Percentage point change (2015-22)	Percentage change (2015-22)
Middlesbrough	29%	41%	11ppt	41.4%
Oldham	32%	44%	11ppt	37.5%
Pendle	31%	43%	11ppt	38.7%
Birmingham	36%	46%	11ppt	27.8%
Leicester	30%	41%	11ppt	36.7%
Blackburn with Darwen	32%	42%	11ppt	31.3%
Stoke-on-Trent	33%	44%	11ppt	33.3%
Nottingham	31%	41%	10ppt	32.3%
Sandwell	34%	45%	10ppt	32.4%
Walsall	33%	43%	10ppt	30.3%
Wolverhampton	34%	43%	10ppt	26.5%
Newcastle upon Tyne	28%	38%	10ppt	35.7%
Hyndburn	32%	42%	9ppt	31.3%
Manchester	35%	45%	9ppt	28.6%
Bradford	30%	39%	9ppt	30.0%
Bassetlaw	26%	35%	9ppt	34.6%
Redcar and Cleveland	26%	35%	9ppt	34.6%
Derby	29%	38%	9ppt	31.0%
Ashfield	27%	36%	9ppt	33.3%
Bolton	33%	42%	9ppt	27.3%

Table 7 The 20 constituencies with the biggest increase in AHC child poverty rates, 2014/15 to 2021/22

Constituency	% of children below 60% median income AHC			
	2014/15	2021/22	Percentage point change (2015-22)	Percentage change (2015-22)
Birmingham, Yardley	33.0%	50.4%	17.4ppt	52.7%
Middlesbrough	32.0%	48.7%	16.7ppt	52.2%
Telford	24.5%	38.2%	13.7ppt	55.9%
Bolton South East	38.2%	50.9%	12.7ppt	33.2%
Burton	27.1%	39.6%	12.5ppt	46.1%
Gateshead	26.5%	38.9%	12.4ppt	46.8%
Louth and Horncastle	25.4%	37.9%	12.4ppt	49.2%
Derby South	35.3%	47.6%	12.3ppt	34.8%
Redcar	26.2%	38.4%	12.2ppt	46.6%
Sedgefield	23.7%	35.9%	12.2ppt	51.5%
Ashfield	27.1%	39.1%	12.0ppt	44.3%
Bassetlaw	25.3%	37.2%	11.9ppt	47.0%
Amber Valley	23.2%	35.0%	11.8ppt	50.9%
Boston and Skegness	29.8%	41.5%	11.7ppt	39.3%
Oldham West and Royton	39.9%	51.3%	11.4ppt	28.6%
Darlington	25.9%	37.3%	11.4ppt	44.0%
Middlesbrough South and East Cleveland	24.3%	35.6%	11.3ppt	46.5%
Birmingham, Hodge Hill	42.7%	54.0%	11.3ppt	26.5%
Oldham East and Saddleworth	37.4%	48.6%	11.2ppt	29.9%
Pendle	31.4%	42.5%	11.1ppt	35.4%

5. Additional analysis of demographic and local area characteristics

In this section, we explore the demographic and structural factors that may lead children to being particularly vulnerable to be living below the poverty line. These relationships are often strongly affected by policy influences at the UK level, but the extent to which each factor contributes to the risk of poverty is also likely to vary at a local level.

We look at some key factors that may be linked to the risk of child poverty in local areas:

- In work poverty
- Household composition
- Disability
- Ethnicity

We use a combination of data from the 2021 England and Wales census, administrative data from DWP and HMRC, and household survey data to examine, at regional and local authority level, the relationship between these factors and the child poverty rates after housing costs.

5.1 In-work poverty

In 2021/22, 71% of children who were in poverty after housing costs and 67% of those who were in poverty before housing costs were in a family where at least one adult was working⁵, up from 65% and 62%, respectively, in 2020/22.⁶

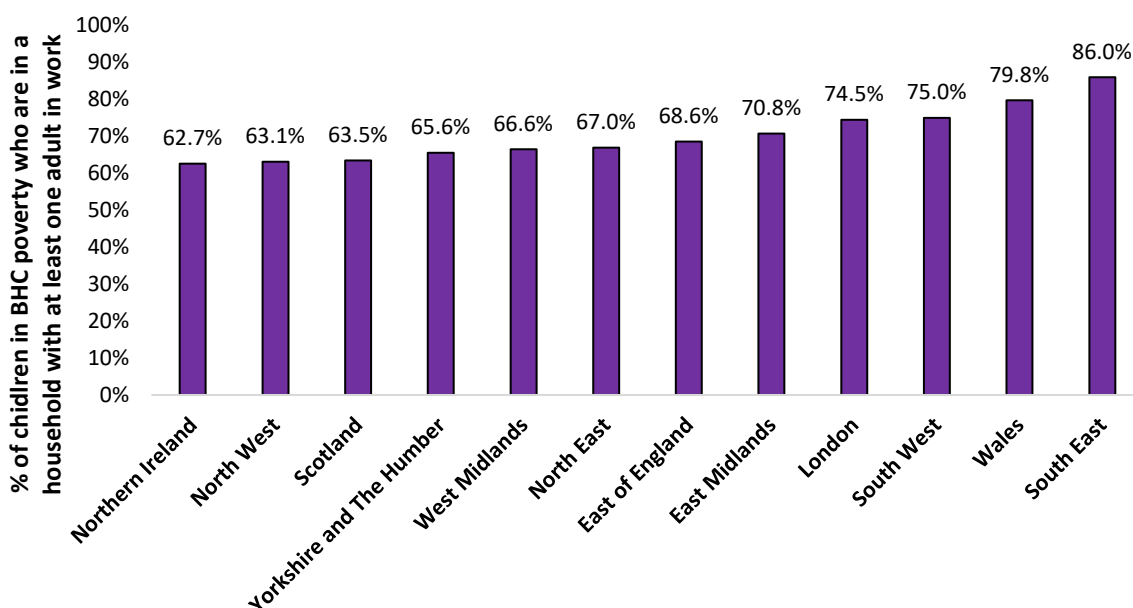
We have not produced local area statistics of AHC child poverty broken down by family work status because we cannot disaggregate the housing costs information (local rents and house prices) that we use to adjust the BHC statistics by family work status. However, we can use the BHC statistics provided by DWP to gain some insights into how the contribution of in-work poverty to overall child poverty rates varies by local area.

Figure 2 shows the percentage of children in BHC poverty who are in a household with at least one adult in work for the countries and regions of the UK in 2021/22. This shows that despite having the lowest BHC child poverty rates over all (16%), the South East has a particularly pronounced problem with in-work poverty; 86% of children who are in BHC poverty in the region are in a household where at least one adult is working. Moreover, in-work poverty remains more common than out-of-work poverty in every region and country of the UK.

⁵ DWP (2023) *Households below average income: for financial years ending 1995 to 2022* <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.3db

⁶ Author's analysis of HBAI 2020/21 data. Note that 2020/21 estimates should be treated with caution due to sampling issues related to the pandemic.

Figure 2 Percentage of children in BHC poverty who are in a household with at least one adult in work, UK regions and countries, 2021/22



Source: Children in Low Income Families, 2021-2022 (DWP, 2023)

Table 5 Number of children in BHC poverty by region and household work status

Region	Number of children in BHC poverty			% in working families
	In working families	Not in working families	Total	
North East	98540	48628	147168	67.0%
North West	254544	148728	403272	63.1%
Yorkshire and The Humber	186322	97795	284115	65.6%
East Midlands	193125	79731	272854	70.8%
West Midlands	253363	127220	380586	66.6%
East of England	143916	65813	209731	68.6%
London	262619	89773	352397	74.5%
South East	277151	45068	322225	86.0%
South West	152697	50824	203514	75.0%
Wales	118859	30175	149035	79.8%
Scotland	143597	82486	226079	63.5%
Northern Ireland	57382	34190	91574	62.7%

Source: Children in Low Income Families, 2021-2022 (DWP, 2023)

Figure 3 shows the distribution of in-work child poverty within regions, by local authority. While in some areas, such as the North West, the contribution of in-work poverty varies quite widely between local authorities, in the South East the percentages are high in all local authorities.

Figure 3 Percentage of children in poverty who are in a household with at least one adult in work, by local authority and region, 2021/22

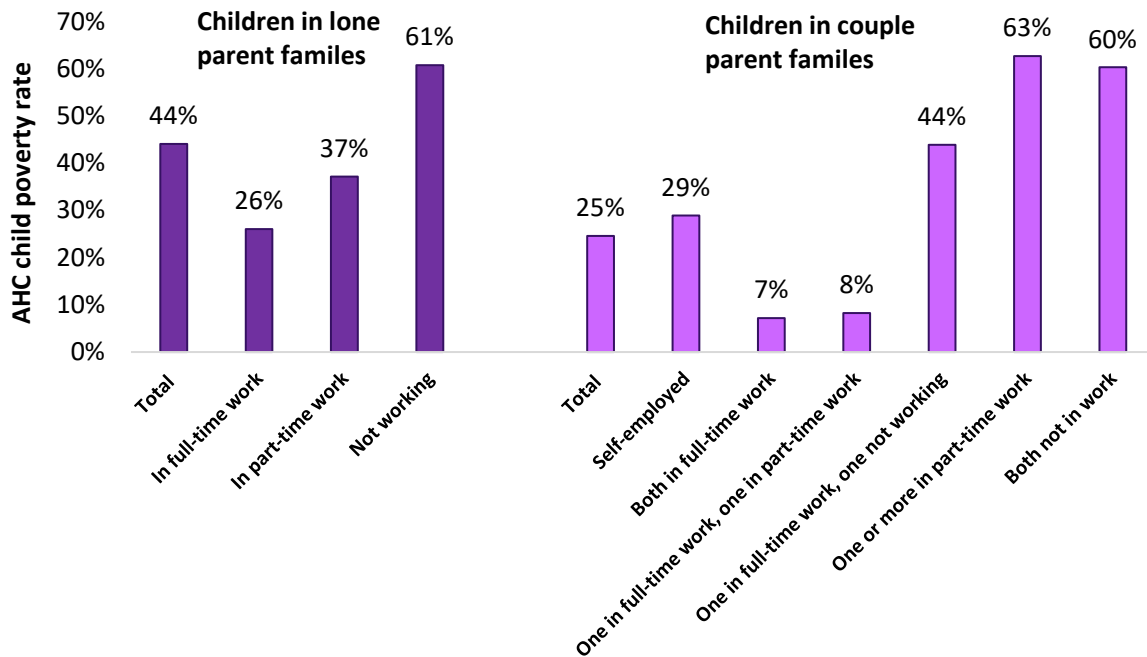


Source: Children in Low Income Families, 2021-2022 (DWP, 2023)
 N.B. Each dot represents one local authority

5.2 Household composition

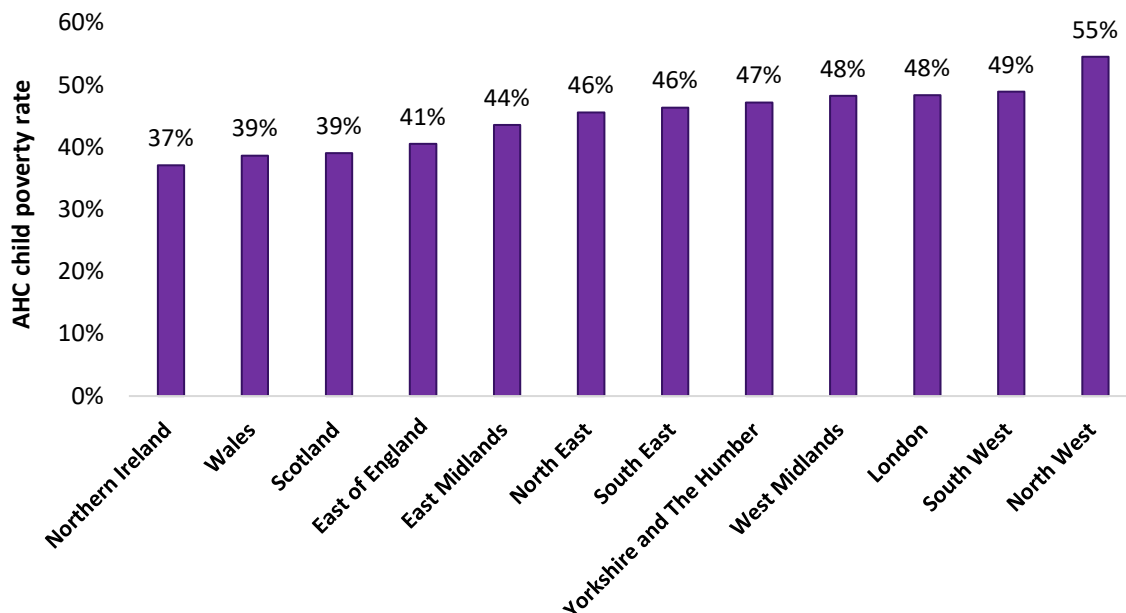
Figure 4 shows the after-housing-costs poverty rate by family type for children, in 2021/22. The overall difference by family type is sizeable, with 44% of children in lone parent families in poverty after housing costs, compared with just 25% of children in couple parent families. However, perhaps even more striking is the difference for working households. In lone parent households where the parent is in full-time work, over a quarter of children are still in poverty. In couple parent households, just 7% of children are in poverty if both parents are working full time. This highlights the challenges faced by lone parents in earning enough income to cover the needs of themselves and their families through work. Lone parents are by definition single-earner households, and therefore have less scope to increase their income by increasing their working hours. The cost of childcare has increased by over 50% in the past decade, much faster than earnings, and when such fixed costs for families rise, the proportionate effect on lone parent budgets is greater.

Figure 4 Percentage of children in poverty after housing costs by family type and work status, UK 2021/22



Source: DWP (2023) Households below average income 2021/2022

Figure 5 Percentage of children in lone parent families who are poverty after housing costs by region, UK 2021/22



Source: DWP (2023) Households below average income 2021/2022

Since the introduction of the so-called ‘two-child limit’, most child-related benefits are limited to the first two children in a family. Any third or higher-order births since April 2017 will not entitle families to any additional benefits. The policy was designed based on the

rationale that it would provide parity between families receiving benefits and those for whom work is their only income source, in making decisions about family size. However, this overlooks the fact that an estimated 58% of families affected by the policy are already in work⁷, and many will already be working full-time, but in low-income and/or insecure work. Moreover, research suggests that the two-child limit in reality has little impact on fertility choices, and simply pushes more children into poverty.⁸

In 2021/22, the UK poverty rate among children in families with three or more children was 42%, compared with 23% and 22% among children in families with one or two children, respectively.⁹

Figure 6 looks at this relationship using the after-housing-costs child poverty data produced for this report, and data on child benefit receipt from HMRC, disaggregated by the number of children in a household, which are available at local authority level.¹⁰ We see a strong, positive association with child poverty at local authority level when considering the UK as a whole. This supports the argument that the two-child limit is pushing children into poverty, as opposed to having any impact on childbearing decisions.

Figure 7 shows the predicted probability of child poverty by work status and number of children. While among non-working households, having three or more children is associated with an increased risk of poverty, this association is much more pronounced for children in households where at least one adult is in work. Combined with the finding referred to above, that more than half of those families affected by the two-child limit are in working households, this reinforces the argument that the policy is not achieving its reported aim of creating equity in family formation decisions for working and non-working households. Moreover, Figures 8 and 9 show that children in lone parent families where the parent is in work are particularly vulnerable to the impact of the two-child limit – in such families, more than half of children are estimated to be in AHC poverty.

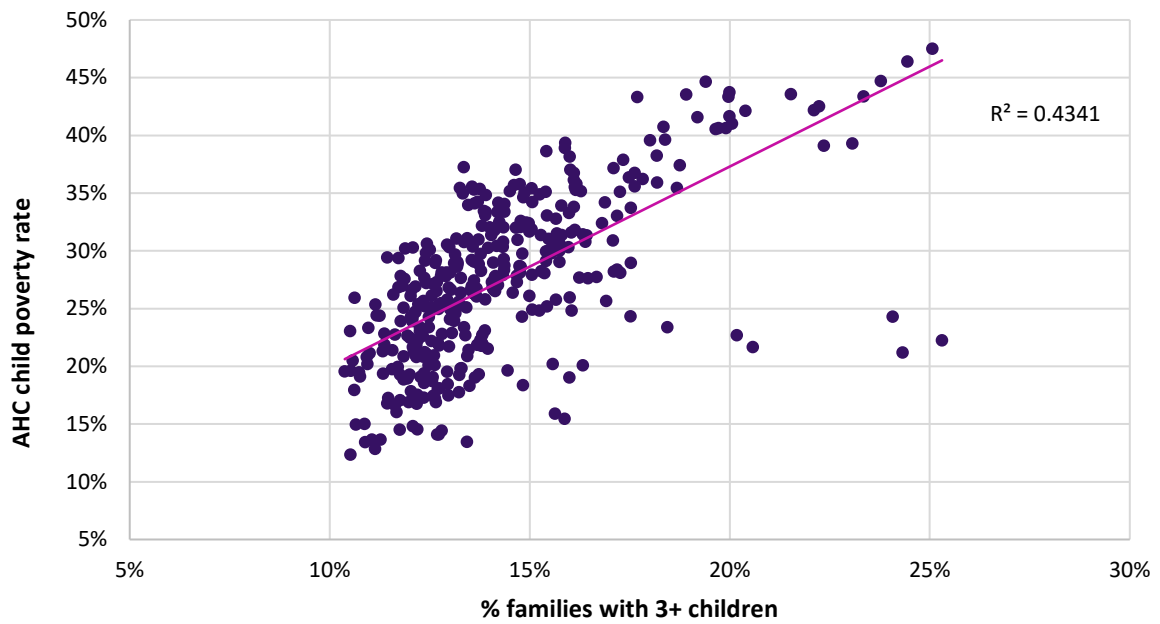
⁷ DWP and HMRC (2022), *Universal Credit and Child Tax Credit claimants: statistics related to the policy to provide support for a maximum of 2 children, April 2022* <https://www.gov.uk/government/statistics/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children-april-2022/universal-credit-and-child-tax-credit-claimants-statistics-related-to-the-policy-to-provide-support-for-a-maximum-of-2-children-april-2022>

⁸ Reader, M., Portes, J., and Patrick, R. (2023) *Does Cutting Child Benefits Reduce Fertility in Larger Families? Evidence from the UK's Two-Child Limit* IZA Discussion paper 15203 <https://docs.iza.org/dp15203.pdf>

⁹ DWP (2023) *Households below average income: for financial years ending 1995 to 2022* <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

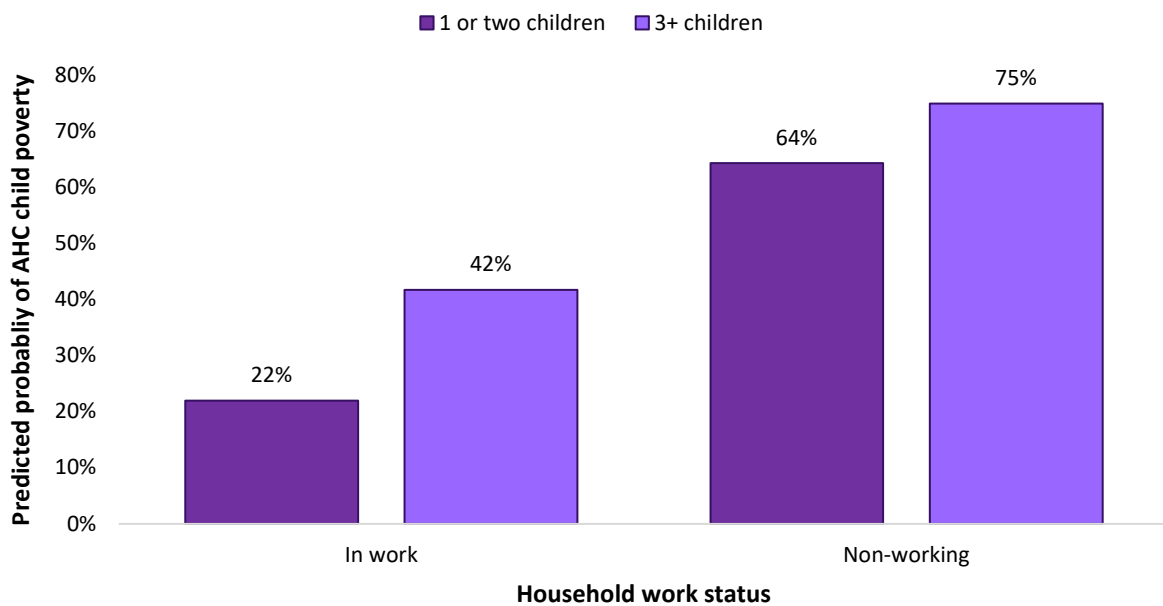
¹⁰ HMRC (2023) *Child Benefit Statistics: annual release, August 2022* <https://www.gov.uk/government/statistics/child-benefit-statistics-annual-release-august-2022>

Figure 6 Correlation between child poverty rate and family size at local authority district level - UK



Source: ECP AHC local child poverty statistics; HMRC.

Figure 7 Predicted probability of child poverty by work status and number of children



Source: Understanding Society, Wave 12

Figure 8 Predicted probability of child poverty by work status and number of children: Lone parents

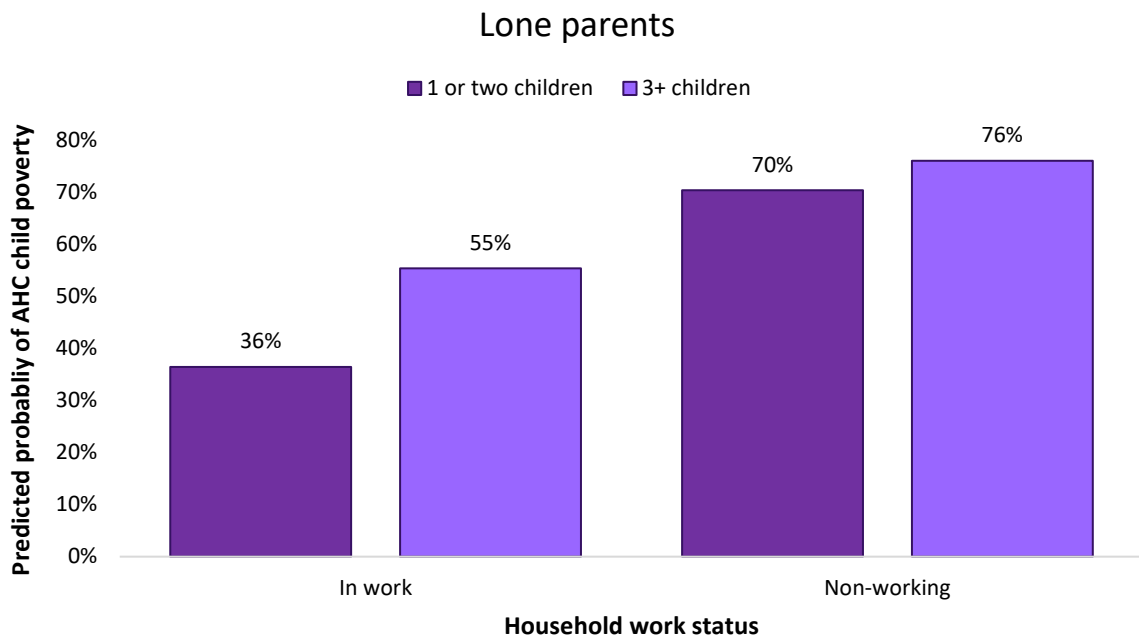
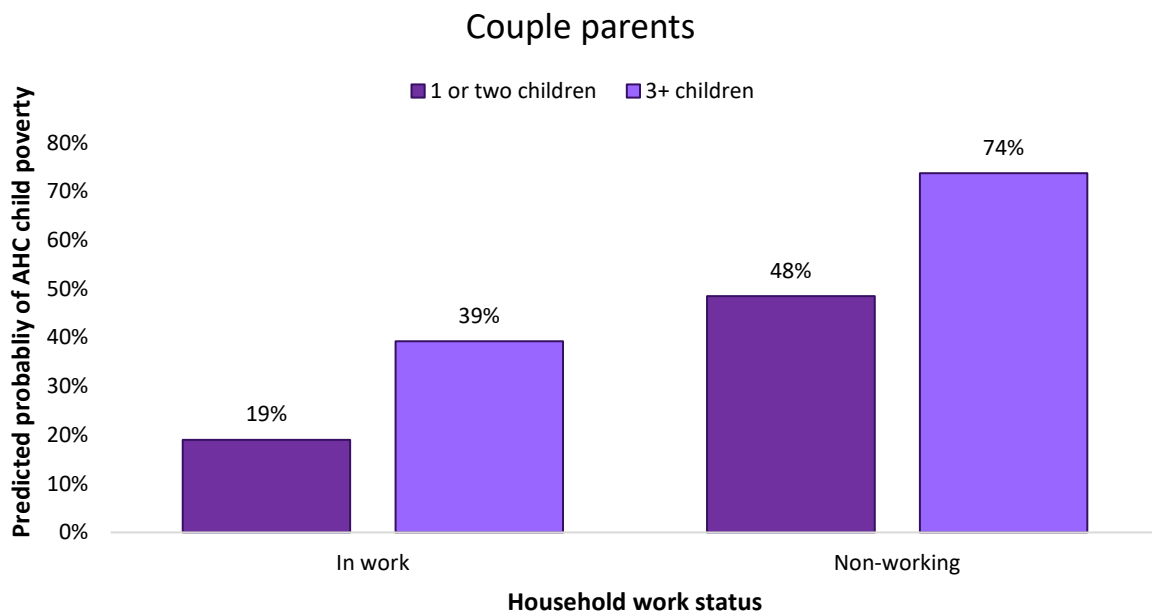


Figure 9 Predicted probability of child poverty by work status and number of children: Couple parents

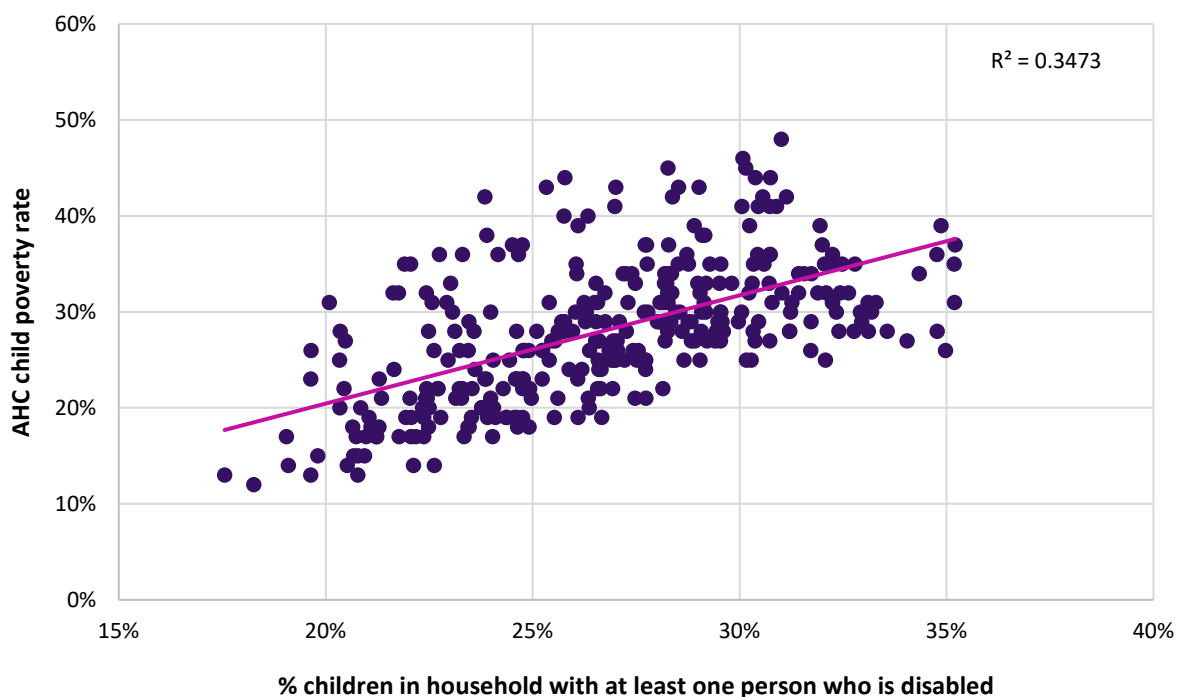


5.3 Disability

In 2021/22, children living in a family where someone is disabled had a poverty rate of 36% after housing costs, compared with 25% for children living in families where no-one is disabled.¹¹

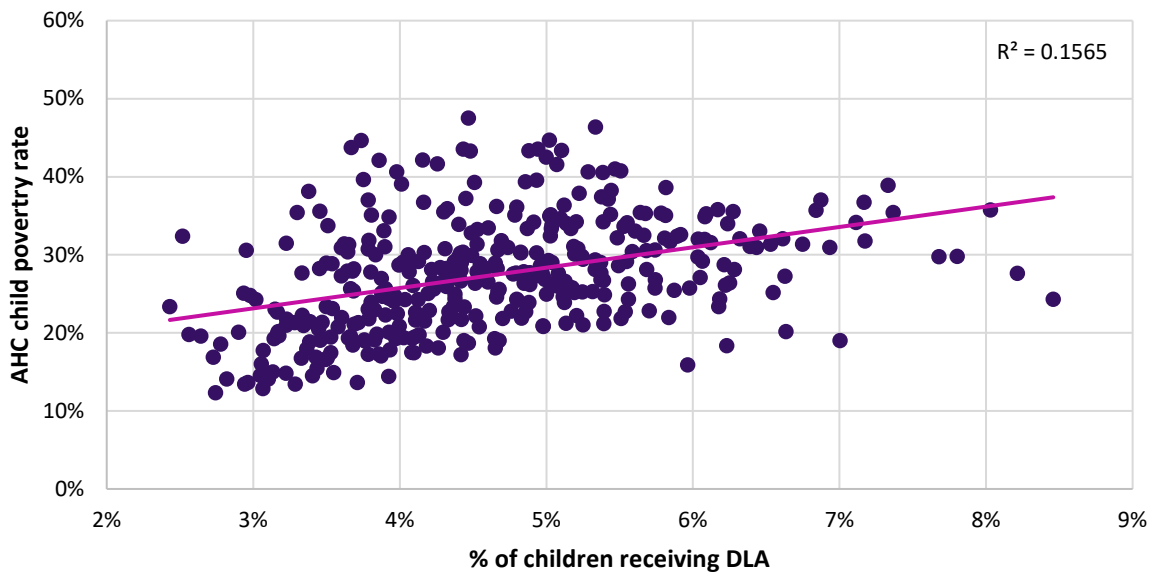
To examine this association at local authority level, we can use data from the recent 2021 census for England and Wales. Unfortunately, multivariate data from the Northern Ireland census have yet to be released at the time of writing, therefore we cannot disaggregate households where at least one member is disabled by the presence of dependent children. The Scottish census data have yet to be released. This analysis is therefore restricted to England and Wales. Figure 10 shows that the association is strong and positive. Figure 11 shows this relationship more specifically for children with a disability, based on DWP on children in receipt of disability living allowance. This again shows a clear, although less strong correlation with the rate of child poverty at local level.

Figure 10 Correlation between child poverty rate and household disability status at local authority district level – England and Wales



¹¹ DWP (2023) *Households below average income: for financial years ending 1995 to 2022* <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

Figure 11 Correlation between child poverty rate and children in receipt of disability living allowance at local authority district level - UK



Estimates from the Family Resources Survey (pooled data for 2018-2022) indicate that 31% of children who have a long-term health condition or disability that limits their activities are in poverty, compared with 29% of those without such a condition. We can use this finding to further estimate the differences by region; Table 6 shows the estimated child poverty rate among children with and without a disability in the regions and countries of the UK.

Table 7 shows the extent to which children with a disability are contributing to the overall levels of child poverty in regions and countries of the UK. Children with a disability represent a particularly high proportion of those in poverty in Northern Ireland and in the North East.

Table 6 Estimated AHC child poverty rate among children with and without a disability, regions and countries of the UK

Region	AHC child poverty rate	
	Child without disability	Child with disability
East Midlands	32.6%	34.8%
East of England	23.6%	25.1%
London	32.8%	35.0%
North East	35.0%	37.4%
North West	34.2%	36.5%
Northern Ireland	22.1%	23.5%
Scotland	24.4%	26.0%
South East	25.2%	26.9%
South West	26.8%	28.6%
Wales	27.8%	29.7%
West Midlands	38.3%	40.8%
Yorkshire and The Humber	31.3%	33.3%

Table 7 Estimated AHC child poverty rate among children with and without a disability, regions and countries of the UK

Region	Number of children in AHC poverty		% of those in poverty who have a disability
	Without disability	With disability	
East Midlands	317171	14713	4.6%
East of England	307576	13247	4.3%
London	651906	22601	3.5%
North East	178278	10230	5.7%
North West	517842	25784	5.0%
Northern Ireland	93954	5769	6.1%
Scotland	234816	11074	4.7%
South East	473361	20780	4.4%
South West	288911	12796	4.4%
Wales	170412	7905	4.6%
West Midlands	483015	21921	4.5%
Yorkshire and The Humber	353114	15771	4.5%

5.4 Ethnicity

There are persistent ethnic inequalities in child poverty across the UK – in 2021/22, 47% of children in Asian or Asian British households and 53% of those in Black households were in poverty after housing costs, compared with just 25% of those where the head of household was White.¹² The importance of this difference is likely to differ by local area, given substantial variation in ethnic diversity. Figure 12 shows that London has by far the most ethnically diverse population in England and Wales, with very little diversity in areas such as the North East and Wales.

Figure 12 Distribution of ethnic groups in regions of England and Wales, 2021



Source: 2021 England and Wales census

Figure 13 uses data from the England and Wales census to examine the relationship between ethnicity and child poverty at local authority level. It looks at children in households with a minority ethnic head of household. The relationship is less pronounced than for the other factors we have explored, but is still marked and positive.

¹² DWP (2023) *Households below average income: for financial years ending 1995 to 2022* <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022> Table 4.5db

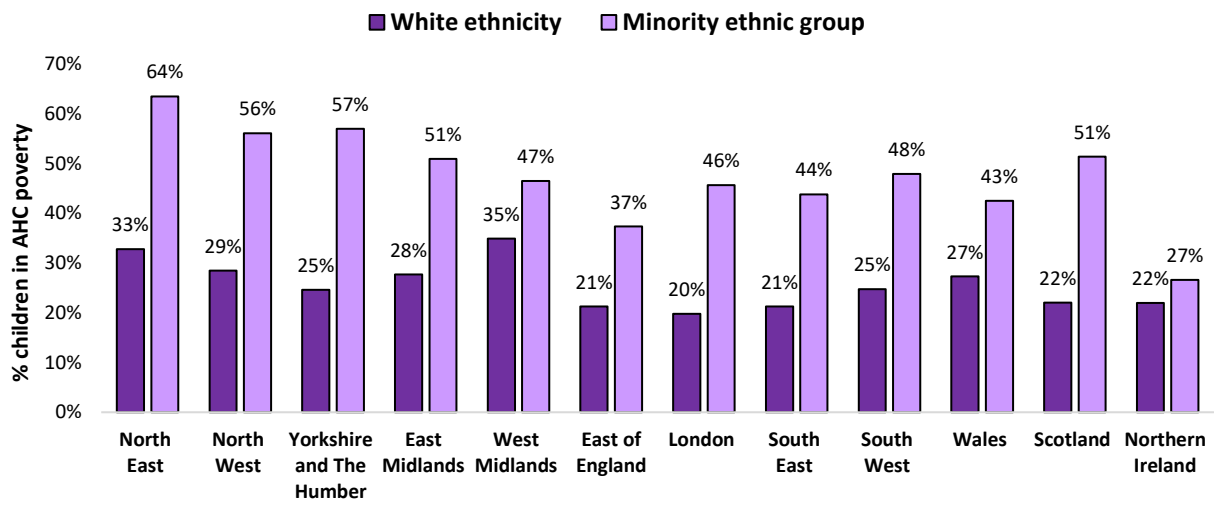
Figure 13 Correlation between child poverty rate and percentage of children in household with minority ethnic head of household at local authority district level – England and Wales



Source: ECP AHC local child poverty statistics; England and Wales Census.

Figure 14 shows the estimated rates of AHC child poverty by ethnicity for the regions and countries of the UK. In every region of the UK, children from minority ethnic groups are more at risk of being in poverty than those with white ethnicity. This association is particularly strong in London, where due to the high ethnic diversity of the region, a large number of children are likely to be affected. The association is also particularly marked in Yorkshire, the South East and Scotland, which have a much less ethnically diverse population; while the risk of poverty is higher for children from ethnic minority groups, fewer children overall are likely to be affected. While the census data indicate that the North East remains the least ethnically diverse part of England, almost two thirds (64%) of the children from minority ethnic groups in the region are estimated to be in poverty – the highest rate of anywhere in the country for children in this group.

Figure 14 Estimated AHC child poverty rate by ethnicity in UK regions and countries



Source: HBAI 2018-2022

6. Conclusion

In this report, we have highlighted the overall child poverty rate in the UK, currently estimated at 29%, masks substantial variation at a regional and local level. By taking housing costs into account, we have provided a more accurate picture of the disposable income that families have available to meet their living costs, and have shown how this is especially important in areas with high housing costs, particularly London. Local authorities in London remain among the worse performing local areas in terms of child poverty, but rates are also high in other large metropolitan areas such as Birmingham and Manchester.

Looking at the trends in child poverty over the seven-year period covered by these statistics, it is clear that the North East has fared particularly badly, with the child poverty rate in the region increasing by 9 percentage points since 2014/15.

In addition to regional variations, the risk of poverty varies substantially for different subgroups of children. We have shown that in-work poverty is a substantial problem for children across the UK, with 71% of children living below the poverty line being in a family where at least one adult is working. This emphasises that employment is in many cases not a simple route out of poverty, and that low pay and insecure work remain major issues for many families who are unable to meet their living costs. Moreover, this is exacerbated for children in families that experience multiple risk factors for poverty. Children with two or more siblings are casualties of the 'two-child limit' that restricts benefits for third and higher-order births; our findings emphasise that this policy is pushing many children into poverty, and that many families affected are already in work and therefore have little recourse to increase their income. Moreover, children in lone parent families are especially vulnerable even if the parent is in work, and even more so if they have two or more siblings.

Our findings further emphasise that children with disabilities and those from ethnic minority groups are disproportionately affected by child poverty, and that this is the case across the UK.

Overall, the findings highlight that while local circumstances and context are likely to have an impact on children's risk of living below the poverty line, national policies such as the two-child limit are having a detrimental effect across the UK. Without addressing these wider issues, regional and local inequalities in the risk of child poverty are unlikely to improve.

Furthermore, the data presented here do not yet cover the period of the 'cost of living crisis' and of persistently high inflation. We therefore expect that in next year's data, the situation will almost certainly have got worse rather than better – although Scotland may be the exception given the extra financial help being made available to families with children via the Scottish Child Payment, the full impact of which will become apparent in next year's data. Nevertheless, it remains certain that child poverty will remain a pressing issue at local, regional and national level.