



Work and Pensions Committee

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From the Chair

Rt Hon Dr Thérèse Coffey
Secretary of State
Department for Work and Pensions

26 November 2020

Dear Thérèse,

Measuring poverty

The Committee has asked me to write to you in the light of evidence we have heard recently from Baroness Stroud, in her capacity as Chair of the Social Metrics Commission.

The Government's undertaking, in May 2019, to begin to develop new statistics for measuring poverty, drawing on the Commission's methodology, was a welcome step forward. At the time of that announcement, the Department hoped to publish the new statistics for the first time in the second half of 2020.

We understand, of course, that the Department has been under unforeseeable pressures this year and that this work will have been delayed. We were concerned, however, to hear from Baroness Stroud on 14 October that progress seems to have slowed.

She told us that, before the coronavirus pandemic, "work was progressing very well and there was a very healthy interchange between the Social Metrics Commission and particularly the secretariat and the officials in the Department, who have been fantastic." She told us that those staff had then been deployed to the frontline as part of the Department's response to the pandemic, but had now returned. She expressed concern, however, that progress since their return had felt "sluggish". She went on to say:

"It does not feel like it has the bigger verve or momentum on it that is needed to get a new measure ready for a Budget. It is the clarity of thinking. [...] We definitely need to regain momentum on this. We have an opportunity to bring left and right together

around this measure. We may then go on to debate strategy or whatever, but let us at least take this moment to agree how we are going to measure poverty.”¹

More recently, in evidence on 18 November, Baroness Stroud told us in the starkest possible terms that:

“What is interesting is that we are having this current debate around poverty and income levels and there is, to date, no agreement as to what actually is poverty. There is no agreement around what a minimum income standard should be. We do not know what level our benefit system is even trying to hit. It has completely lost any link with poverty or income. There is no strategy for tackling poverty, so we are making these stabs in the dark. There is no dashboard of data saying, “We have a problem over here. We do not have a problem over here”.

My big concern is this: we are walking through a major pandemic in the dark and we are making Government decisions, some of which are very good, but they are in the dark. We really, really need to decide on what we as a society believe is poverty. We need to measure it; we need to track with it and use it as an early warning system to prevent vulnerable people from being hit. It is a serious matter that we are going into Budgets and Spending Reviews and we are spending £200 billion, but we have no sense at all as to the impact on poverty. That is concerning.”²

In the light of this evidence, we would be grateful for your answers to the following questions:

- 1. What steps are you taking to ensure that meaningful progress is made on developing a measure of poverty that could underpin Government policy and strategy, in the way described by Baroness Stroud?**
- 2. When do you now expect the first experimental statistics developed using the Social Metrics Commission’s methodology to be published?**
- 3. Beyond the publication of the initial statistics, what plans do you have for further work to embed this methodology in Government decision-making?**

Our predecessor Committee recommended that the Government should adopt the Social Metrics Commission’s metric as its official, central measure of poverty. In response, the Government noted that the SMC’s measure was a work in progress and said that:

“The purpose of further work on new experimental statistics on poverty is to get them to the stage where they are of sufficient quality to be assessed for National Statistics status. At that point the Government will then assess whether to adopt this measure as an additional or sole statutory measure of poverty.”

¹ [Q15](#)

² [Q286](#)

4. When do you expect to be in a position to assess whether this measure should be adopted as the Government's official measure of poverty?

We would be grateful for a response by **Thursday 10 December**.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Timms', with a horizontal line above the name.

Rt Hon Stephen Timms MP
Chair, Work and Pensions Committee