

6th July 2015

Dear Constituents,

Thank you for contacting me about child poverty and related matters.

The Government remains committed to its goal of eliminating child poverty by 2020. More than ever is being done to support children. I am delighted that there are now 300,000 fewer children in relative poverty and a record 31.1 million people in work. Importantly, the number of children living in a household where no one has a job is now the lowest since records began 18 years ago.

Poor children are doing better than ever at school, with the proportion of children on free school meals getting good GCSEs having increased by over 20 per cent between 2010 and 2013. This is the kind of lasting life change that makes a real difference to children's outcomes.

I appreciate your concern about Child Tax Credits. As you are aware, details about the welfare savings have not yet been announced. I welcome, however, that other steps have been taken to help families. The new Tax-Free Childcare scheme will provide 20 per cent support on childcare costs up to £10,000 per year for each child, meaning parents will receive support of up to £2,000 per child per year. The scheme will mean all working parents with children under 12 will be eligible for the scheme when it is introduced.

I also welcome the Government's commitment to doubling the entitlement of free childcare for 3-4 years old to 30 hours a week during this Parliament.

Of course, there remains much work to be done. The Government has published its Child Poverty Strategy 2014-17, restating its commitment to tackle poverty at its source. Universal Credit will lift around 300,000 children out of poverty thanks to increased entitlements. To support families, the personal allowance has been raised to £10,600 with over 3 million of the lowest paid people being taken out of income tax altogether.

The Pupil Premium, worth £2.5 billion in 2015-16, is supporting poor children in reaching their full potential and helping to close the attainment gap between them and their more advantaged peers. Importantly too, with the introduction of Tax-Free Childcare the Government has announced that 85 per cent of childcare costs will be covered for families receiving Universal Credit, making sure it always pays to work.

The Government has also taken action to protect those on low pay. I am pleased the adult rate National Minimum Wage will increase by 20 pence in October 2015 to £6.70 per hour. This will help 1.4 million of the lowest paid workers and means more economic security for families across the country. This increase will be the largest increase in the minimum wage since 2008 and is only possible because of the careful management of the economy over the past years.

Alok Sharma, MP for Reading West

It is important to protect those on low incomes and, due to the difficult decisions that have been made, the Government has delivered a typical tax cut of £825 for 26 million people. Ahead of the recent general election, the Prime Minister also announced that a future Conservative Government would increase the personal allowance to £12,500 by 2020 which would take an additional one million of the lowest paid workers out of income tax altogether and mean anyone working 30 hours a week on the minimum wage would pay no income tax at all.

Having first called for the personal allowance to be pegged to the minimum wage during a Parliamentary debate in 2013, I am also pleased that ahead of the recent general election we committed in our manifesto that the next Conservative Government will pass a new law to guarantee a Tax Free Minimum Wage, so that no-one earning the minimum wage working 30 hours per week will pay income tax ever again.

I hope this helps to reassure you that the Government is committed to ensuring a better and more financially secure future for hardworking people, their children and their grandchildren.

Thank you again for taking the time to contact me.

Yours sincerely,



Alok Sharma MP