Briefing: Spring Budget 2023 debates

15 March 2023



Summary

- Barnardo's latest research released on 7 March 2023 'A crisis on our doorstep' exposes the severe impact of the cost-of-living crisis on children, young people and families across the UK. The following four key concerns emerged:
 - Hunger: Barnardo's latest YouGov polling of representative group of 1000 parents in Great Britain found that nearly 1 in 4 (23%) have struggled to provide sufficient food for their child in the last 4 months due to the cost of living, up 3% from October 2022 (20%).
 - Health: Almost 1 in 3 parents (30%) said their child's mental health worsened in the last 4 months due to rising costs of living, up from 1 in 4 (26%) in October 2022.
 - Essential items: More than one in seven parents (16%) said their child has had to share a bed with them, their partner or sibling, because they cannot afford another bed. 1 in 14 parents (7%) said this is happening right now.
 - Staying safe and warm: Half of parents (49%) worry about keeping their home warm for their child or children. 30% of parents worry about losing their home or being made homeless.
- Barnardo's welcomes the Government's Budget announcement of funding for wraparound care through an 8am-6pm extended schools offer - a measure Barnardo's has been calling for.
- Barnardo's has also called for the extension of the Energy Price Guarantee and welcomes the Government's three month extension in the Budget.
- Barnardo's has also called for a ban on forced prepayment meter installation which
 disproportionately affects low-income households and those in fuel poverty. The move to
 bring prepayment meter customers into line with comparable direct debit customers until
 the EPG ends is welcome. However, we urge the Government to go further and
 implement a total ban on forced prepayment meter installations until new
 protections are introduced that ensure households cannot be disconnected.
- In light of our research and other evidence showing the stark impact of the cost-of-living crisis on children and families and the services that support them, Barnardo's is deeply disappointed that the Spring Budget has failed to address the following:
 - Establishing an emergency stabilisation package for children's services.
 - o Making funding available to develop a family hub in every community.
 - Improving support for care leavers through a wide ranging programme of support going beyond employment support.
 - Committing to funding to roll out Mental Health Support Teams (MHSTs) in every school and college.
 - Investing in specialist services for child victims of child sexual abuse and exploitation, child criminal exploitation and domestic abuse.
 - o Extending free school meals to all primary school pupils in England.
 - o Implementing innovative solutions to keep children safe and warm, going beyond the extension of the Energy Price Guarantee.
 - o Strengthening social security to provide a lifeline to families on a low income.

Further details of the evidenced need and cost-benefits for these interventions is detailed below.

¹ A Crisis On Our Doorstep | Barnardo's (barnardos.org.uk)

1. Establishing an emergency stabilisation package for children's services

Current funding gaps in children's services are severe – recent evidence from the Association of Directors of Children's services revealed how the whole system is currently close to breaking point with £778m needed in one year just to close the current budget gap². Even prior to the increase in inflation, LGA analysis indicated an existing shortfall of £1.6 billion per year simply to maintain current service levels in children's social care³.

This is the result of many years of reductions to the spending made available to children's services. Analysis by Pro-Bono Economics conducted on behalf of the UK's leading children's charities⁴ highlights how, current spending on children's services remains £249 million below 2010-11 levels. The Association of Directors of Children's Services has said this funding crisis means there is "precious little fat left to trim from most services".

These funding pressures are also coming at a time when needs-driven demand for children's social care is at an all-time high. The impact of the COVID-19 pandemic followed by the cost-of-living crisis have resulted in more children and families needing support from children's services than ever before. For example, children in the care system increased by a quarter between 2010-11 and 2020-21.⁶ This puts a significant burden on local authorities, not least because the cost of placements for children in the care system has increased by 11% from 2012 to 2020⁷.

In addition, the number of children formally identified as 'in need' grew by 12,500 over the same period⁸ – this is despite most social workers (70%) reporting that they feel that thresholds for qualifying as a 'child in need' under section 17 of the Children Act 1989 have risen in recent years⁹. The number of children subject to a child protection plan also grew by almost 16% between 2013 and 2021 while the number of child protection investigations has increased by 48%¹⁰. Combined with reduced funding, this means local authorities are finding it more and more difficult to provide the services that families need.

Nothing was announced in the Spring Budget to address this urgent and growing children's social care crisis.

2. Making funding available to develop a family hub in every community

Most children enter the care system because of problems within the family environment that put the child's safety at risk, and many referrals are underpinned by wider problems such as domestic abuse and parental mental illness. Providing families with effective support for these problems early can therefore be key in reducing risks to children and reducing the need for care proceedings later.

Barnardo's view is that family support works best when its delivery is embedded within communities as part of a wide scale offer of support for families, including universal 'help groups' for families of young children as well as support with the range of issues that can impact on parents' ability to parent, such as support with benefits and employment advice. This model, which provides support for families with children right the way from pre-birth to 18, has become known as a 'family hub'.

² ADCS Safeguarding Pressures Phase 8 Full Report FINAL.pdf

³ https://www.local.gov.uk/publications/spending-review-2021-submission#priority-1-a-strong-and-certain-financial-foundation

⁴ Childrens Services Funding Alliance.pdf (barnardos.org.uk)

 $^{^{5} \ \}underline{\text{https://www.communitycare.co.uk/2022/10/18/there-is-no-fat-left-to-trim-social-care-leaders-warn-jeremy-hunt-against-further-rounds-of-cuts/}$

⁶ Statistics: looked-after children - GOV.UK (www.gov.uk)

⁷ Childrens Services Funding Alliance.pdf (barnardos.org.uk)

⁸ Statistics: children in need and child protection - GOV.UK (www.gov.uk)

⁹ Too Little Too Late Report Final.pdf (actionforchildren.org.uk)

¹⁰ Statistics: children in need and child protection - GOV.UK (www.gov.uk)

We recommend the extension of family hubs to all communities. Family hubs provide a 'local nerve centre' for all family support within a community, from stay and play groups, to breastfeeding support to help with issues such as finding a job or applying for benefits. This has the potential not only to improve the lives of families but also reduce the costs incurred by other services in the long term. In the 2021 report 'It Takes a Village' Barnardo's calculated that for every £1 invested in its Isle of Wight family hub service, £2.60 of savings were generated.

3. Improving support for care leavers

Recent research by the Leaving Care Benchmarking Forum revealed the extent to which care leavers are struggling to manage with the increasing costs of food, energy and accommodation. 65% of care leavers polled for the report said that the cost-of-living crisis was having a "significant effect" on them, 45% were struggling to afford food and 31% were at risk of homelessness¹².

We therefore welcome the increase in funding for the Staying Close programme to help more care leavers into employment. However, as Government is the corporate parent for young people leaving care, we are also deeply disappointed that a more holistic suite of support for care leavers has not been brought forward. Barnardo's recommends:

- Paying care leavers the over 25 rate of Universal Credit. The average age for leaving home in England is 23¹³. Yet every year, 10,000 young people who have grown up in care, for whom the state acts as 'corporate parent', have to live independently from the age of 18 or even younger. Young people leaving care who are reliant on social security receive a lower Universal Credit payment by virtue of their age. If you are single and under 25, recipients of UC receive £265.31 per month compared to £334.91 for those over 25¹⁴. This reduced rate does not recognise the difficulties many young care leavers face since they are less likely to have access to financial support from their own family, a significant number of these young people live at or near the poverty line, often struggling to make ends meet.
- Providing free bus travel for all care leavers 18-25. The average cost of a bus pass is £18 a week which is not affordable for many care leavers, especially in the context of rising costs. Access to free bus travel would enable care leavers to get more easily to work, college, visit relatives or access hobbies. It is estimated that the cost of setting up a national scheme for all care leavers aged 18-25 would be approximately £77m¹⁵.
- A national programme allowing care leavers to access a 'rent deposit' as part of their benefits (to be paid back at the end of the tenancy). Securing private sector tenancies can be difficult for care leavers research shows that 13% of care leavers had been unable to access private rented accommodation because the landlord was unwilling to accommodate them¹⁶. To help with this the Government should introduce a statutory rent deposit scheme for care leavers that they could access as part of their benefit entitlement this money would then be paid direct to the landlord. The DWP would be entitled to a reimbursement of this money at the end of the tenancy.

¹¹ https://www.barnardos.org.uk/sites/default/files/2021-09/It-Takes-a-Village-the-case-for-family-support-in-every-community.pdf

¹² Survival-Is-Not-Easy-Full-Report-NLCBF-December-2022-2.pdf (leavingcare.org)

 $^{^{13}}$ https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/milestonesjourneyingintoadulthood/2019-02-18

^{14 &}lt;u>https://www.gov.uk/universal-credit/what-youll-get</u>

¹⁵ Transport for Freedom - Barnardo's.pdf (barnardos.org.uk)

¹⁶ Gill, A., & Daw, E. (2017). From care to where? Care leavers' access to accommodation. Centrepoint. https://centrepoint.org.uk/media/2035/from-care-to-where-centrepoint-report.pdf

4. Committing to funding to roll out Mental Health Support Teams (MHSTs) in every school and college

Approximately one in six children and young people in England between the ages of 6-16 have a diagnosable mental health condition, equating to around 1.3 million. This rises to one in four young people aged between 17 and 19¹⁷. The increasing prevalence of mental ill health poses a public health issue, resulting in long term health, social and economic impact¹⁸.

MHSTs are a cost-effective investment in children and young people's mental health. The Government's current plans for MHSTs do not guarantee new services beyond 2024. Only 35% of children and young people are expected to have access to MHST support by 2023¹⁹, leaving 6.5 million children and young people without vital support. Addressing this inequality and providing a consistent early intervention service for mild to moderate mental health conditions, requires every school and college to have access to an MHST.

Barnardo's recent analysis in its report 'It's Hard to Talk' demonstrates that for every £1 invested in Barnardo's MHSTs, there is a return of £1.90 to the state 20 . This is likely an underestimate as analysis was conducted based only on the service's one-on-one CBT therapies, which represent one third of the MHST's overall offering. In addition to this, much of the data was gathered during the Covid-19 pandemic and when MHST practitioners were in training, potentially impacting referral rates and caseload numbers.

5. Investing in specialist services for child victims of child sexual abuse and exploitation, child criminal exploitation and domestic abuse

Child sexual abuse (CSA) has a far-reaching impact on society. In December 2021, a Home Office study estimated that the annual costs relating to children whose contact sexual abuse began or continued in the year ending March 2019 exceeded £10 billion. This includes costs of physical and emotional harm, healthcare costs, and impacts on future potential earnings.

It is clear that, without support, the costs to society are substantial. Child victims of CSA need access to specialised support to support their recovery. A study by the Independent Inquiry into Child Sexual Abuse found that across all support services, the most highly rated type of service was counselling provided by a charity or voluntary organisation specialising in child sexual abuse, and stressed the importance of speaking with a specialist counsellor to support with their recovery.²²

In 2019, the Home Office estimated that the cost of domestic abuse in England and Wales for the year ending 31 March 2017 to be approximately £66 billion.²³ It's important to note that, when the Government calculated the cost of domestic abuse, they did not include costs related to the economic impact of domestic abuse on children. The true figure will therefore be higher.

We welcome the duty to provide accommodation-based support for victims and survivors of domestic abuse which is set out in the Domestic Abuse Act. However, a duty does not exist for Commissioners to provide support in the community which deliver life-changing support for children and their families. Research by domestic abuse charity SafeLives, using figures from Barnardo's domestic abuse services estimated that spend on child victims of domestic abuse

¹⁷ Mental Health of Children and Young People in England 2022 - wave 3 follow up to the 2017 survey - NHS Digital.

¹⁸ Ma, K., Anderson, J. and Burn, A., 2022. Review: School-based interventions to improve mental health literacy and reduce mental health stigma – a systematic review. Child and Adolescent Mental Health.

¹⁹ NHS England, 2022; Mental Health Support Teams in Schools and Colleges.

²⁰ https://cms.barnardos.org.uk/sites/default/files/2023-01/hardtotalk-expandingmentalhealthsupportteamsschools-MHSTs-report-jan2022.pdf

 $^{^{21} \, \}underline{\text{https://webarchive.nationalarchives.gov.uk/ukgwa/20221215024115/https://www.iicsa.org.uk/keydocuments/28377/view/INQ006659.pdf}$

²² https://www.iicsa.org.uk/reports-recommendations/publications/research/support-services-victims-survivors-csa

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918897/horr107.pdf

should total £330 per annum 24 . We know that, where support is available, around $70\%^{25}$ of victims access community-based rather than accommodation-based services, while the Domestic Abuse Commissioner found that 83% said they wanted some form of community-based services 26 .

The Government should invest in specialist services for child victims, including Child Independent Sexual Violence Advocates (CHISVAs), Child Independent Domestic Abuse Advocates (CHIDVAs), and registered intermediaries, and use the opportunity of the Victims Bill to implement a funded legal duty to provide child-specialist domestic abuse services.

6. Extending free school meals to all primary school pupils in England

Barnardo's has been at the forefront of campaigning²⁷ for the extension of free school meals to all primary school pupils in England. As a first step, the UK Government should review the means test for free school meals, and raise it from the current annual income threshold (£7,400) to a passported system based on receipt of Universal Credit or other means-tested benefits.

The latest ONS cost-of-living data shows that more than half of parents are now cutting back on food shopping and essentials, up by 14% from summer 2022²⁸. Barnardo's latest YouGov polling of representative group of 1000 parents in Great Britain found that nearly 1 in 4 (23%) have struggled to provide sufficient food for their child in the last 4 months due to the cost of living, up 3% from October 2022 (20%)²⁹. 75% of parents in Great Britain agreed that all primary school children should be eligible to receive free school meals according to a survey by YouGov for Barnardo's in October 2022.

Children who do not have enough nutritious food experience anxiety, poor mental health, poor social and emotional development, and achieve less in school³⁰³¹. A recent study of free school meals at an international level found positive associations were 'generally observed with students' diet quality and academic performance, particularly in the presence of strong nutrition standards that include fruits, vegetables, and/ or whole grains.'³² Free school meals have been proven to reduce obesity and also improve attendance and attainment rates at school.³³

Analysis from PwC found that the total cost of implementing free school meals for all children in families in receipt of Universal Credit would be £6.4bn between 2025 and 2045, generating £8.9bn in core benefits³⁴ – every £1 invested was estimated to generate £1.38 in the core benefits, while an expansion to universal free school meals gave a higher positive ROI – every £1 invested was estimated to generate £1.71 in the return. Research into the impact of Universal Infant FSM has also found 'a saving on food expenditure among not-FSM-registered

 $^{^{24} \}underline{\text{https://safelives.org.uk/sites/default/files/A\%20Safe\%20Fund\%20costing\%20domestic\%20abuse\%20provision\%20for\%20the}\\ \underline{\%20whole\%20family\%20in\%20England\%20wales} \ 0.pdf$

https://safelives.org.uk/sites/default/files/A%20Safe%20Fund%20costing%20domestic%20abuse%20provision%20for%20the%20whole%20family%20in%20England%20and%20Wales 0.pdf

²⁶ https://domesticabusecommissioner.uk/exclusive-new-mapping-data-reveals-a-postcode-lottery-and-patchwork-of-provision/

²⁷ https://www.barnardos.org.uk/sites/default/files/2022-10/At%20What%20Cost%20-

 $[\]frac{\%-20 the \%-20 impact \%-20 of \%-20 the \%-20 cost \%-20 of \%-20 iving \%-20 crisis \%-20 on \%-20 children \%-20 and \%-20 young \%-20 people.pdf 28 https://www.ons.gov.uk/people-population and community/personal and household finances/expenditure/datasets/impacto fincreased cost of living on a dults across great britain $$$

²⁹ A Crisis On Our Doorstep | Barnardo's (barnardos.org.uk)

³⁰ https://pubmed.ncbi.nlm.nih.gov/32052571/

https://pubmed.ncbi.nlm.nih.gov/30893802/

³² Cohen, J.F.W.; Hecht, A.A.; McLoughlin, G.M.; Turner, L.; Schwartz, M.B. Universal School Meals and Associations with Student Participation, Attendance, Academic Performance, Diet Quality, Food Security, and Body Mass Index: A Systematic Review. Nutrients 2021, 13, 911. https://doi.org/10.3390/nu13030911

³³ https://www.nuffieldfoundation.org/wp-

content/uploads/2019/11/ISER Impact of the Universal Infant Free School Meal policy.pdf

³⁴ Impact on Urban Health (2022), 'Investing in Children's Future – analysis from PwC' https://urbanhealth.org.uk/wpcontent/uploads/2022/10/FSM-Full-Report.pdf

households, of approximately £20 per month in total for household with two adults and two children. 135

A recently published study of Sweden's Free School Meal programme looked at the long-term impact of FSMs provision.³⁶ It found that FSMs not only increase attainment, but provided a 3% increase in lifetime income for those exposed to FSM during their entire time at primary school. Importantly, the study explains that the economic benefit is more pronounced for children from the poorest households, suggesting that FSM reduced socioeconomic inequalities in adulthood. For children from families in the bottom quartile by household income, receiving FSM for nine years increased lifetime income by almost 6% – a benefit-to-cost ratio of 7:1.³⁷

We know that an extended free school meals offer is deliverable. The Scottish Government have extended free school meals to all primary school pupils aged 1-5.38 The Welsh Government has committed to providing a free school meal to all primary school children by 2024.

7. Implementing innovative solutions to keep children safe and warm, going beyond the extension of the Energy Relief Scheme.

Barnardo's welcomes the Government's Budget announcement of funding for wraparound care through an 8am-6pm extended schools offer - a measure Barnardo's has been campaigning for.

Barnardo's has also called for the extension of the Energy Price Guarantee and welcome that that this was announced in the Spring Budget.

Barnardo's has also called for a ban on forced prepayment meter installation which disproportionately affects low-income households and those in fuel poverty. The move to bring prepayment meter customers into line with comparable direct debit customers until the EPG ends is welcome. However, we urge the Government to go further and implement a total ban on forced prepayment meter installations until new protections are introduced that ensure households cannot be disconnected.

In recent years locally administered support funds, including Local Welfare Assistance schemes, have been underfunded and designed inconsistently and on a short-term basis, with the Household Support Fund (HSF) being the most recent funding allocated to local authorities. The short-term nature of funding has not enabled local authorities to plan and deliver schemes properly. Councils have implemented restrictive criteria to limit spending, leaving many charities - including Barnardo's - to fill the gaps. The Government should commit to three years of funding to local authorities in England and devolved administrations of at least £1 billion per year for a **permanent Household Support Fund**.

8. Strengthening social security to provide a lifeline to families on a low income

We welcome the Government's commitment to uprate benefits in line with inflation from April 2023 and the additional cost-of-living payment of £900 for households on mean-tested benefits. However, deeper reform is needed across the social security system. We are disappointed the Government has not taken the opportunity of the Spring Budget to:

 $^{^{35}}$ 'Impact of the universal infant free school meal policy', Nuffield Foundation, $\underline{\text{https://www.nuffieldfoundation.org/wp-content/uploads/2019/11/ISER Impact of the Universal Infant Free School Meal policy.pdf}$

³⁶ Lundborg, P., et al., 2022. Long-term effects of childhood nutrition: evidence from a school lunch reform. The Review of Economic Studies, 89(2), 876–908. https://doi.org/10.1093/ restud/rdab028

³⁷ Analysis included in Free School Meals Evidence Pack: https://foodfoundation.org.uk/sites/default/files/2022-11/FSM%20Evidence%20Pack 0.pdf

³⁸ Free School Meals Evidence Pack: https://foodfoundation.org.uk/sites/default/files/2022-11/FSM%20Evidence%20Pack 0.pdf

- **Review Universal Credit** to ensure that it is linked permanently to inflation and that the reduced payment level for under 25s is removed.
- **Reintroduce the £20 Universal Credit uplift** to recognise the fact that, for many families, the cost-of-living crisis is on a scale comparable to the Covid-19 pandemic. Recent analysis by the Joseph Rowntree Foundation (JRF) showed that child poverty fell between 2018/19 and 2020/21 (Based on DWP, Households below Average Income data). JRF said: "The drop in poverty rates that we see for larger families and for those with children aged under five in the latest data is likely to be due to the £20 a week uplift to Universal Credit and Working Tax Credits during the first year of the Covid-19 pandemic" ³⁹. This analysis demonstrates that improving the social security system can directly lift children out of poverty.
- **Reverse the two-child limit** that limits benefits income for households with a third or subsequent child. The two-child limit is now the single biggest policy driver of child poverty in the UK⁴⁰. In 2019 the Work and Pensions Committee published two reports looking into the policy, the second of which recommended that it be abandoned. The Resolution Foundation estimates that nearly half of families with three or more children were in relative poverty in 2021/22, up from a third in 2012/13.⁴¹
- **Reverse the benefit cap immediately.** This policy disproportionately affects children in larger families by capping the overall amount families can receive in social security. Analysis by a coalition of children's charities based on DWP figures in March 2022⁴² found the vast majority (85%) of those affected by the benefit cap are families with children, while 80,000 households (65%) affected by the cap are single parent households and 42,000 have a child under 5.

Action you can take:

- 1. Contribute to the Spring Budget debates to highlight the severe impact of the costof-living crisis on children, young people and families across the UK and the steps the Government should have taken through its Budget to support families.
- 2. Ask a Parliamentary Question that raises Barnardo's research report of 7 March 2023 'A crisis on our doorstep' and its key recommendations such as extending free school meals for all primary school children.
- 3. Write to or ask a written or oral question to the Secretary of State for Education and / or the Chancellor of the Exchequer to ask whether they will consider the findings of Barnardo's latest report.
- 4. Meet with Barnardo's to discuss our findings and recommendations.

Suggested Parliamentary Questions:

- 1. New Barnardo's polling found that almost 1 in 4 parents have struggled to provide sufficient food for their child in the last 4 months due to rising costs of living. Will the Government extend the provision of free school meals to all primary school children? Or as a minimum first step, to all children in families in receipt of Universal Credit?
- 2. Earlier in March Barnardo's published its latest report 'A crisis on our doorstep' about the impact of the cost-of-living crisis on children. I was shocked at the number of children going without a proper bed or bedding: YouGov polling found that more than one in seven parents (16%) said their child has had to share a bed with them, their partner or sibling, because they cannot afford another bed. 1 in 14 parents (7%) said

³⁹ Page 23, JRF Poverty 2023 https://www.irf.org.uk/system/files/uk poverty 2023 - the essential guide to understanding poverty in the uk 0.pdf

⁴⁰ Benefit Change & Larger Families (April 2022), '<u>Does cutting child benefits reduce fertility in larger families? Evidence from the UK's two-child limit</u>'

⁴¹ 'The impact of the two-child limit in Universal Credit', House of Commons Library, 2022, https://researchbriefings.files.parliament.uk/documents/CBP-9301.pdf

⁴² https://cpag.org.uk/sites/default/files/files/policypost/Briefing Benefit Cap Mar 2022.pdf

this is happening right now. The Government's various locally administered support schemes are supposed to help families at crisis point, yet the short-term and inconsistent funding has meant many local authorities cannot plan and deliver the schemes properly. This has left charities - including Barnardo's - to fill the gaps by providing essential items like beds and bedding for children in desperate need. Will the Government take action to address bed poverty? And will the Government commit to three years of funding for a permanent Household Support Fund?

- 3. Why has the Chancellor not prioritised children's social care spending in the Budget? Local authority spending on acute, late intervention has increased over the last ten years, while spending on early and more cost-effective preventative interventions such as children's centres, family support services and services for young people has declined by 48% between 2010-11 and 2019-20. Furthermore, an emergency stabilisation package is urgently needed given inflationary and service demand pressures on children's social care budgets.
- 4. **Will the Government urgently review social security policy**, including: whether Universal Credit payment levels for under 25s particularly care leavers are able to provide a decent level of income for young people; reintroducing the £20 Universal Credit uplift; reversing the two-child limit; and reviewing the benefit cap that is pulling larger families into deeper poverty as costs rise?

About Barnardo's

Barnardo's is the UK's largest national children's charity. In 2021/22, we reached 357,276 children, young people, parents and carers through our 794 services and partnerships across the UK. Our goal is to achieve better outcomes for more children. To achieve this, we work with partners to build stronger families, safer childhoods and positive futures.

For more information contact Sundeep Kaur Bhogal, Policy and Public Affairs Lead (England), sundeep.bhogal@barnardos.org.uk