
A SUBMISSION FROM THE
CENTRE FOR SOCIAL JUSTICE:
DELIVERING A LIFE
CHANCES STRATEGY

March 2016

THE CENTRE FOR
SOCIAL
JUSTICE

The Centre for Social Justice (CSJ) supports the Government's commitment to improving life chances, and tackling the "root causes of poverty".

In refocusing the Government's approach to poverty away from a single set of economic measures towards a Life Chances Agenda, we believe the Government can finally break the cycle of persistent and generational poverty.

This paper sets out a series of policy recommendations to support the Prime Minister's Life Chances Strategy, which is due to be published later this year.

In his Budget delivered on March 16th the Chancellor committed the Government to funding 'long term solutions to long term problems'. In doing so the Chancellor allocated more than £5.7 billion of Government money to pay for new infrastructure projects.

Next year the Government will spend more on Cathedral repairs (£20 million) and searching for oil off the British coast (£20 million) than it does on supporting relationships and helping families stay together (£14 million). The Government should re-align its spending commitments with its ambitions for 'social renewal'.

I. Establishing a Life Chances Commission

Identifying small programmes that are both capable of receiving significant Government investment and operating at a national scale is a key challenge in delivering a successful Life Chances Strategy.

The Life Chances Strategy should contain a commitment to identify locally led programmes which demonstrably move social outcomes, and it should aim to progressively ‘scale up’ these projects over a five year period.

To achieve this objective the CSJ recommends establishing a Life Chances Commission attached to HM Treasury with a remit to:

- **Build an evidence base** for programmes capable of receiving significant Government investment and operating at a national scale.
- **Identify ‘critical moments’ for Government intervention.** The Life Chances Strategy should consider the lessons of successful International Development policies by identifying ‘critical moments’ in the life cycle where Government intervention would make the biggest difference.

This approach reflects the Prime Minister’s “life cycle” vision for tackling poverty by identifying targeted interventions from early years to adulthood.

2. Introducing ‘Universal Support’

The Government’s next big welfare reform should be introducing a Universal Support programme alongside Universal Credit. The CSJ is calling on the Government to align its major social programmes with its new Life Chances Agenda into a single Universal Support programme.

The Troubled Families programme, the Work Programme and Pupil Premium should all be redirected to support the following life chance measures:

- Family stability;
- Narrowing the educational achievement gap;
- Recovery from addiction;
- Financial literacy for those carrying unmanageable personal debt;
- Employment and progression in work.

The launch of a Life Chances Strategy provides the Government with an opportunity to assess existing programmes and refocus them against life chance measures. The Government has three primary programmes which could be aligned into a Universal Support package:

- The Work Programme;
- The Troubled Families Programme;
- The Pupil Premium.

Currently, each of these programmes follow different criteria. The Government should rationalise the criteria underlying each of these programmes and refocus them on life chance measures.

Universal Credit will provide a simplified benefit system that will ensure work always pays – encouraging employment and progression in employment. It would make sense for Universal Credit to be

supplemented by a programme of 'Universal Support' to help individuals overcome problems that are holding them back.

By taking advantage of the moment when people enter the welfare system to assess their needs according to the main life chances measures, 'Universal Support' could then connect people to the services they require to overcome addiction, debt, family instability or poor skills. This would help to alleviate the most acute vulnerabilities and to undermine entrenched worklessness. Back-to-work programmes would then be used to help people enter part-time employment, then help them into full-time work, and ultimately, to up-skill and progress them in work, assisting people to earn more than the full-time living wage.

The Troubled Families Programme

The Troubled Families Programme presently offers support to those families who meet at least three of the four following criteria:

- Involvement in youth crime or anti-social behaviour;
- Children who are regularly truanting or not in school;
- An adult on out of work benefits;
- Cause high costs to the taxpayer.

In the next phase of the programme's development it would be logical to incorporate the 'life chances' measures, so the skills of Troubled Families key workers are used to reduce family breakdown, improve employment, help with education, or to refer to addiction or debt services.

Promisingly, the Prime Minister has recently outlined that Troubled Families key workers will be looking at parenting and child development – this creates an opportunity for the role to be

expanded further and for a new set of 'life chances' success criteria to be included.

The Pupil Premium

The Pupil Premium is currently allocated to schools for each pupil on their roll who is eligible for free school meals (i.e. whose parents have an income of less than £16,190). Whilst there is a virtue in having such a straightforward means of allocation it overlooks the fact that many issues that cause difficulty at home and which may affect children's life chances, are not financial. Recalibrating the Pupil Premium around the 'life chances' criteria would again ensure that funding was made available for poorer pupils based on whether they were experiencing family breakdown, or had parents who were out of work, poorly educated, or suffering from addiction.

This rationalisation of Government programmes so that they all work to the same 'life chance' criteria within a new Universal Support package should be the first social reform contained within the Life Chances Strategy.

By doing this, whilst seeking to help more families earn a full-time living wage, Government would ensure it is focussed on tackling both the root causes of poverty and poverty itself.

3. Making relationship support an aspirational activity

There is a significant ‘family stability gap’ in this country. 65 per cent of children aged 12–16 in low-income households do not live with both birth parents, which is 26 per cent higher than the figure for better-off households. Family breakdown hurts poor children the hardest.

The Government needs to invest in couple relationship support for before relationships reach crisis point, if it is serious about placing stronger families and relationship support at the heart of its agenda. A study by the Department of Education in 2014 found that relationship courses realised benefits of £11.50 for every £1 spent in reduced costs of family breakdown.

The Government should make supporting couple relationships a key objective of the Life Chances Strategy.

Use the Healthy Relationships Fund to target interventions and scale up investment

Having committed to regenerate the 100 ‘worst sink estates’ in the UK, the Prime Minister should direct developers to place the Government’s Life Chances Agenda at the centre of their plans. In the coming weeks the panel of experts charged with redesigning these new estates, led by former Deputy Prime Minister Michael Heseltine, will send out a ‘call for evidence’. This will be an important moment for the future of some of our poorest areas. In its review of our ‘worst’ estates, the panel should think carefully about how the Prime Minister’s commitment to a Life Chances Agenda can be put at the heart of these new developments – the panel should go beyond bricks and mortar.

The Life Chances Agenda is about taking a more ‘social’ approach to tackling poverty. It moves beyond simply looking at money and asks how Government can support those trapped in persistent poverty. It is an agenda built around the ambition of turning lives around. The CSJ will be pressing Michael Heseltine and his panel to ensure that the design of new estates meets the challenge set by the Prime Minister of tackling the root causes of poverty.

The Government’s Healthy Relationship Fund should be resourced to ensure that relationship support programmes are included in the master-planning process for these developments with a view to being ‘up scaled’ into a Universal Relationship Support service by 2025.

The Government should encourage voluntary sector organisations to apply for funds to provide relationship support programmes tailored to the needs of residents living within these new developments. These programmes should be assessed to provide an evidence base for scaling up relationship support in every local authority by 2025.

National Relationship Support Campaign

The Prime Minister has said he wants to make relationship support an aspirational activity. We believe the Government should launch a national public awareness campaign to remove the stigma around relationship support and ‘normalise’ the uptake of these services to support the delivery of a Universal Relationship Support service.

Alongside this national campaign, targeted relationship support programmes should be offered for free in areas where family breakdown is highest to ensure these services are taken up in areas with the most acute need.

A specific campaign focused on young fathers and fathers-to-be should also be considered as an important element of this campaign.

4. Eradicate the couple penalty

The Government should eradicate the ‘couple penalty’ through quadrupling the Marriage Allowance and targeting it to low income couples with children under five.

Under the current system there is a welfare disincentive for couples to build long term stable families. The Government’s Universal Credit reforms have already gone a long way to eliminating the couple penalty but some working couples can still receive more living apart than living together. This is particularly concerning where children are involved, given the importance of long term family stability for the wellbeing and life chances of children.

The Government should consider refocusing the Marriage Allowance for low-income couples with children under five. This payment should be significantly higher than the current level of £4.07 per week and targeted to couples where additional weekly income can make the biggest behavioural difference. Targeting the Government’s Marriage Allowance is a cost-neutral approach to supporting strong, couple relationships.

There is currently a huge underspend in the amount the Government has set aside for spending on the Marriage Allowance. Last year the Treasury allocated £495 million to support marriage in the tax system. According to the Government’s own data, if all 330,000 couples who claimed the Allowance last year received the maximum payment available the Government would only be spending c.£70 million on this policy.

This allows the Government room to be bold and quadruple the value of this allowance, target the payment to families who need

it most, and still have significant funds left over to resource other important family measures properly.

The Government should commit to the largest ever investment in supporting families by using this £495 million for a series of family stability interventions outlined in this document.

5. An online ‘one-stop-shop’ for parents alongside a high profile national campaign to encourage up take of parenting support services

In his ‘Life Chances’ speech in January, the Prime Minister placed a particular emphasis on the importance of parenting:

‘I believe if we are going to extend life chances in our country, it’s time to begin talking properly about parenting and babies and reinforcing what a huge choice having a child is in the first place, as well as what a big responsibility parents face in getting these early years right’.

The CSJ strongly supports this agenda – we agree with the PM that proper parenting is an essential component of improving children’s life chances and that Government should do what it can to help parents acquire the skills they need.

To grow the demand for parenting classes, a sustained publicity campaign is needed to draw parents’ attention both to how parenting classes can help them and to all the currently existing local services. As this demand grows, then the number of services available to families can be grown to meet that need.

By working with local authorities and charities, the Government could develop an online service that would ideally act as a one-stop-shop for parents. This would:

- Show them accredited parenting classes in their area;
- Allow them to book sessions/make contact with those classes;

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- Inform them about voucher entitlement and give them access to that voucher.

Parents are more likely to access classes if they are referred by services they are already engaged with. Therefore, it will be necessary to work with local services (e.g. children's centres, nurseries, schools etc.) on a number of initiatives, and encourage them to:

- Provide or host classes and refer their existing parents;
- Work with existing providers to expand their provision into these settings.

The Government may choose to offer vouchers for all parents in pilot areas in order to encourage take up and to experiment with growing local demand. Given that it is unlikely that there will be sufficient public funds for fully funded universal parenting classes, resources will need to be reserved for low-income families, for example those who receive Job Seeker's Allowance (JSA) or Employment and Support Allowance (ESA), and those who have been in contact with Troubled Families programme, although some of these may also require more specialist services.

The drive to encourage more parents to use parenting classes should be careful to have broad appeal, reaching out to both fathers and mothers, and seeking to engage parents at each phase of their child's upbringing.

Undertaking these initiatives, it should be possible to build a culture in which parents automatically seek to extend their understanding of parenting, much the same way as, a generation ago, parents were persuaded to take up the offer of antenatal courses. The long-term advantages of this work for parents, children, communities and society should not be underestimated. The family is by far the best environment to prepare children for the challenges they will face in life – helping families to do this better can only benefit us all.

6. Moving to a Family Hubs model in every local authority

To support a new commitment to ‘close the family stability gap’ the Government should incentivise local authorities to convert Children’s Centres to a Family Hubs model.

A Family Hubs model would provide the framework for the delivery of relationship and parenting support programmes and refocus the delivery of local authority services around the Government’s commitment to stronger families and life chances.

The Government should commit to investing £1 billion into programmes that incentivise and resource Local Authorities (LAs) in the UK to move to a Family Hub model by 2025. This would be the biggest ever investment in reversing family breakdown.

A Family Hubs model involves the centralisation and integration of LA services directed at both adults and children. The physical ‘Family Hub’ is where all the service providers (public, private and/or voluntary sector) are would be based, and the Hub then acts as a location where families can go for help and support.

The advantage of a physical ‘Hub’ is a one-stop-shop for family and relationship support and somewhere for families to go to receive a range of support services. Ideally this should be somewhere families feel comfortable about visiting.

Family Services Transformation Fund

The CSJ recommends that the Government considers launching a Family Services Transformation Fund that will pay Local Authorities for:

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- The staffing resource so 1–2 senior officials can step back and do the authority-wide re-engineering that will enable them to be more rational and efficient with what they have already got and what they are using public money to pay for;
 - The development of missing services, particularly relationship support and post-separation support, as these are still not found in many Hubs;
 - Sharing good practice if they have already embarked on this reform.

One important area that the Fund would not cover is capital outlay i.e. the acquisition of new infrastructure, although capital clawback regulations would need to be eased if Children’s Centre building use is to be changed to provide services for families with children aged 0–19 years (instead of only or mainly 0–5 years).

Local Authorities would be encouraged to apply for this money on a four year basis to enable reforms to bed in. If 130 Local Authorities applied for £150,000 per year for four years and the remaining 22 applied for £100,000 per year for four years (because they had more of the necessary services or they had already begun to embark upon reform) this would require a funding pot of a little under £22 million per year, £88m over four years.

Family Hubs Team in Government and Ambassador Taskforce

Learning from the introduction of the Troubled Families programme, the Government should look at establishing a Civil Service team to advise local authorities on implementation and good practice. This team should be extended to include experts within the family support sector, appointed to act as an Ambassador Taskforce to advise Local Authorities.

7. Ring fenced funds to encourage active fatherhood

Joint Registration on Birth Certificates

Over one million children have no meaningful contact with their father. The Government should recognise the important role Dads play in family life. A specific commitment to encouraging active fatherhood should be included within the Life Chances Strategy.

There are over 247,000 children under seven in the UK who have no registered father at birth. Every year one child in twenty is born with no registered father, meaning at least one child in every primary school class will not have a registered father.

It is now almost seven years since the Welfare Reform Act (2009) provided for the joint registration of parents on birth certificates. We are calling on the Government to enact the provisions of the 2009 Act for joint registration within the Life Chances Strategy.

Ring Fenced Funds for Father specific support

Joint Registration should not be an end in itself. Within the wrapper of the Healthy Relationships Fund the Government should ring fence money for Local Authorities to deliver targeted support to young men who are at risk of becoming absent fathers.

The Government should appoint a 'Fatherhood Commissioner' linked to the Healthy Relationships Fund, and within a Government Department, to bring together examples of best practice and encourage their take up across Local Authorities where applications have been made for the ring fenced funds within the Healthy Relationships Fund.

8. Encouraging the savings habit amongst low earners

In his 'Life Chances' speech on 11 January 2016, the Prime Minister said:

'We'll also do more to help people save – and help build families' financial resilience. Those with no savings at all have no buffer – no shock absorber – for when unexpected events hit. ... So I can announce today that we intend to bring forward a 'help to save' scheme to encourage those on low incomes to build up a rainy day fund, and full details of this scheme will be announced in the Budget'.

There is a sizeable body of evidence showing that too many people in the UK have few or no savings.

- 24 per cent of working-age people never or rarely save money – around a quarter say they currently have no savings;
- Four in ten adults have less than £500 in savings;
- 21 million don't have a modest £500 in savings to cover unexpected bills like replacing the fridge or mending the car;
- Thirteen million people in the UK lack the savings to keep up with essential bills for just one month if their income dropped by a quarter;
- This problem is most acute among low- and middle-income households, where 42 per cent of people earning less than £15,000 per year do not have a month's savings and 80 per cent of the poorest households not saving regularly.

This lack of savings exposes families to income shocks and so to problem debt. As the CSJ's work has repeatedly shown, the stress of managing tight finances and dealing with creditors, as well as the stigma

associated with problem debt, can lead to mental health conditions, family breakdown, addiction, worklessness and crime. Many of those negative outcomes are interrelated and can also drive problem debt, trapping people in a 'vicious cycle' where the consequences of debt make it harder for people to extract themselves from it.

Introduce an auto enrolment 'Rainy Day Guarantee'

The CSJ believes that a potentially powerful way to incentivise saving amongst those in work would be to create an employer-based auto-enrolment savings scheme.

The use of auto-enrolment to encourage people to save for their pensions is widely seen as a considerable success with large increases in the number of people paying contributions. As pensions are a form of long-term saving, the same logic and evidence is applicable to developing a new system of auto-enrolment in employer based short-term saving schemes.

Many firms already operate such schemes to help employees plan for future spending and deal with financial emergencies. These include:

- Save as You Earn (SAYE): a 3–5 year scheme requiring monthly savings that are then topped up with a tax-free bonus at the end;
- Share Incentive Plans (SIPs): schemes to allow employees to buy shares in their employer's company with a variety of tax incentives and other bonuses;
- Workplace Individual Savings Accounts (ISAs): they are negotiated in bulk by the employer so these ISAs offer better terms and interest rates, with some employers offering payroll deductions to make saving easier.

By utilising the auto-enrolment technology developed for pensions, it should be possible for Government to provide a means of offering workers access to a savings scheme which could divert funds to any number of savings vehicles, such as bank accounts, credit unions, bonds etc.

Using auto-enrolment procedures the Government could set up an opt-out savings system that would encourage low earners to put aside a proportion of their salary into a savings account, using the funding provided for through 'Help to Save'.

The Government could introduce a workplace auto-enrolment scheme for a new national Rainy Day Guarantee. For a premium of 0.5 per cent of gross salary – £5 per month for someone earning £12,500 a year – this could offer better contributory salary protection than that currently afforded through National Insurance (NI). In other words, if someone lost their job, this system would pay out better than JSA or ESA, even though people were paying less in.

Rainy Day Guarantee

- Premium of up to 0.5 per cent of gross income;
- Delivered by providers of auto-enrolled workplace products;
- Pays out a percentage of the contributor's salary for a defined period should someone lose their job through redundancy or ill health;
- Covers up to £42,000 of income;
- Integrates with Universal Credit.

The Rainy Day Guarantee scheme could encourage saving through auto-enrolment of 1.5 per cent of gross income into a Rainy Day Savings Account. It would be possible to use credit unions as a place

of deposit for these funds – strengthening the sector and so increasing the number of low-income savers and borrowers they can help.

Introducing these two new schemes (Rainy Day Guarantee and Rainy Day Savings) at the same time as raising the NI threshold, along with auto-enrolment, would be a further nudge for people to make use of these schemes, as people would feel the benefit of the raising of NI thresholds at the same time as they have their money taken out of their account through auto-enrolment. Crucially, such a scheme would also mean an individual's net pay (for lower earners) would not reduce as a result of this change.

A further element could be introduced to the Rainy Day Savings Account Scheme to encourage low-income people to keep their savings in their account, and to boost those savings. This might, for example, amount to 'Christmas bonuses' for those who had saved above a certain limit or not made any withdrawals that year. The level of bonus could be tapered from the full amount for those not earning enough to pay income tax (currently £10,600) to, for example, those earning the national average (£26,500) so as not to create work disincentives.

In addition, the CSJ believes it is important to make any auto-enrolment scheme 'aspirational'. The scheme outlined here, being entirely automatic, would have the added advantage of not requiring anyone to self-identify as 'poor' – low-income earners would simply, automatically, equip themselves with the tools of financial resilience.

9. Addressing educational failure

'Portable funding' for 16 year olds who 'fail' English and Maths GCSEs

The attainment gap at 16 is still acute and failure to reach a Level 2 qualification in Maths and English is a strong driver of poor life chance outcomes.

Despite the Raised Participation Age and Study Programme which aim to close the attainment gap, fewer than half of enrolments in catch up English and Maths programmes result in a Level 2 qualification.

Failure to achieve a Level 2 qualification in English and Maths prevents access to Level 3 courses which in turn are the driver to significantly improve life chance outcomes for children on Free School Meals. Only 36 per cent of these young people achieve a Level 3 qualification compared to 61 per cent of children not entitled to Free School Meals.

The Government should consider introducing portable funding for 16 year olds who fail their Maths and English GCSEs. Money linked to these young people should be made 'portable' allowing charities and third sector organisations to access these funds through a payment by results model to incentivise success.

The Life Chances Strategy should make a big commitment to closing the attainment gap in basic numeracy and literacy to support better life chance outcomes for young people at risk of failing to achieve basic educational standards.

10. Long term housing stability

Social Lettings Agencies

The importance of housing in stabilising family life and promoting life chances should not be forgotten. Over two million low-income households rent privately, double the 900,000 of a decade ago. Almost all of these are through short term tenancies of one year or less. The Government should announce the creation of a nationwide network of Social Lettings Agencies, targeting areas with the most acute housing need first.

A national strategy to introduce Social Lettings Agencies would also help the 70,000 families in Temporary Accommodation find a permanent home in the private rented sector.

Social Letting Agencies seek to address some of the issues around the private rented sector for families on low incomes. Social Lettings Agencies manage properties on behalf of private landlords and provide sustainable tenancies for those on low-income. Typically they ensure longer tenancies for low income families and reduce the risk for landlords, enabling them to let to Local Housing Authority claimants.

We recommend that £40 million of the £1 billion allocated to Department for Communities and Local Government by DWP should be used to set up a Capital Fund to aid the expansion of Social Lettings Agencies. Social Lettings Agencies should be a crucial element of the Government Life Chances strategy.



Putting social justice at the heart of British politics

The Centre for Social Justice

11 Belgrave Road

London

SW1V 1RB

www.centreforsocialjustice.org.uk

Contact: frank.young@centreforsocialjustice.org.uk

[@CSJthinktank](https://twitter.com/CSJthinktank)

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