

# THE GREAT RECOVERY



**A post Covid-19 deal for Britain**

November 2020

The Great Recovery  
A post Covid-19 deal for Britain  
© The Centre for Social Justice, 2020

Published by the Centre for Social Justice,  
Kings Buildings, 16 Smith Square, Westminster, SW1P 3HQ  
[www.centreforsocialjustice.org.uk](http://www.centreforsocialjustice.org.uk)  
@CSJthinktank

[designbysoapbox.com](http://designbysoapbox.com)

# Contents

	About the Centre for Social Justice	2
	The Great Recovery overview	3
	Executive summary	6
	<b>PART ONE</b>	
	<b>The economic deal: work</b>	<b>8</b>
	Introduction	9
1	Anatomy of a crisis	10
2	Getting Britain back to work: jobs, jobs, jobs	17
3	Levelling up Britain	29
	<b>PART TWO</b>	
	<b>The social deal: support for the vulnerable</b>	<b>46</b>
Policy 1	Put families at the heart of our vision for the recovery	47
policy 2	Rebuild our society around strong local communities	56
Policy 3	Kick-start the recovery by rebooting adult training	66
Policy 4	End homelessness and rough sleeping once and for all	75
Policy 5	Solve the problem of problem debt	85
Policy 6	Set up a national network of Family Hubs	93
Policy 7	Support our most vulnerable children through education	101
Policy 8	Accelerate a highly effective addiction recovery strategy	110
Policy 9	Reform our failing, overlooked prison system	117
Policy 10	Fight the scourge of modern slavery head on	124
	<b>PART THREE</b>	
	<b>The political deal: a new kind of relationship</b>	<b>131</b>
1	What we learnt in 2020	132
2	A new political settlement is needed	137
3	The New Britain Deal	146

# About the Centre for Social Justice

Established in 2004, the Centre for Social Justice (CSJ) is an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustice every possible opportunity to reach their full potential.

The majority of the CSJ's work is organised around five 'pathways to poverty', first identified in our ground-breaking 2007 report *Breakthrough Britain*. These are: educational failure; family breakdown; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt. Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics.

This has led to a transformation in government thinking and policy. For instance, in March 2013, the CSJ report *It Happens Here* shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century. Our research is informed by experts, including prominent academics, practitioners and policymakers.

The CSJ is rooted in our alliance with small charities that have a proven track record of reversing social breakdown across the UK. The social challenges facing Britain remain serious. In 2020 and beyond, we will continue to advance the cause of social justice so that more people can continue to fulfil their potential.

**Disclaimer:** The views and recommendations in this report are those of the CSJ and do not necessarily represent those of the individuals or organisations listed above.

# The Great Recovery overview

Since our inception, the Centre for Social Justice has worked with individuals in crisis to understand their needs and how government and others can help and enable.

The arrival of Covid-19 is a very different kind of crisis to any in our lifetime: global, indiscriminate and fatal.

But the needs of individuals emerging from this time remain the same as in other times of crisis.

Whether struggling with a disability, overcoming an addiction, or the breakdown of a marriage, there are certain things that all people need to make the most of their potential.

This paper is structured in three parts to reflect that reality and to recognise that the recovery from this crisis must be based on those pillars that underpin all great recoveries.

## Part one

### The economic deal: work

Getting Britain working again must be the first and most crucial priority for government.

The economic damage caused by the pandemic and subsequent shut down was significant. As of 14 June, 1.1 million businesses had furloughed 9.1 million workers, at a cost of £20.8 billion. A survey by Resolution Foundation found approximately 15 per cent of furloughed staff expected to lose their jobs, and 20 per cent expected to have their hours reduced. ONS statistics released the same week showed payroll numbers had dropped by 600,000, eroding two and a half years of employment growth in the space of three months. GDP fell by 20 per cent in the month of April alone.

Unsurprisingly, it is low income and low skilled households that are most vulnerable to losing work and an income. Work is one of the best ways to help people out of poverty; someone out of work is four-times more likely to be in poverty than someone with an income and a job.

But it is about more than statistics and income alone. Work gives dignity and identity. It is a reason to get up each morning. The Royal College of Psychiatrists is unequivocal about the importance of employment for people with mental health problems, they say it is:

*'central to personal identity; provides structure and purpose to the day; gives opportunities for socialisation and friendship; and increases social networks – a core component of social capital'.*

Public Health England links unemployment with increased risk of mortality and morbidity. They say it can increase the risk of 'long term diseases, cardiovascular disease, poor mental health, suicide, and health-harming behaviours'.

One of the major successes of the policy response to the last UK recession in 2008 was the ability to limit the impact of unemployment.

This must be the first priority of our response to this current crisis.

## **Part two**

### **The social deal: support for the vulnerable**

But it is not enough to merely provide jobs. The people to take them must be work-ready.

That means a government providing the right support at the right time from cradle to grave. Part Two of this report cannot be an exhaustive list of government action, but it does prioritise the ten most crucial areas to focus on if the poorest in society are not to be left behind in the recovery.

The crisis has left many people with no work, but also thrown up new industries and new ways of working. Ensuring that adult learning providers are ready for those with retraining needs is paramount.

Sadly, the last few months have highlighted that there are more basic needs than that for many people. With a third of people recovering from addictions reporting relapses during the lockdown, do we have the services in place to aid their recoveries? Almost 15,000 people were moved into emergency accommodation at the start of the lockdown, no doubt saving many lives, but do we have the will and housing capacity to make this good news story last? And the poor condition of the decrepit prison estate was once again forced into view as prisoners needlessly lost lives in inhuman conditions due to an unimaginative sentencing system.

However, any social deal must start long before any individual ends up in prison, in addiction recovery, or on the streets. A focus on early intervention is key. The establishing of a network of family hubs, is part of that, as is community empowerment to make the right decision for children in their area. It starts on day one, in the home, by supporting families to care for each other.

## Part three

### The political deal: a new kind of relationship

And it is the last of these that has perhaps been the most striking differential during this pandemic.

The key lockdown lesson is not about public services. We have a National Health Service, a universal police force and 93 per cent of all children go to the same state-run schools.

The differential in the equation that will leave some children scarred for life by this lockdown while others will emerge completely unscathed, is the quality of relationships in our homes and communities.

These must be put at the heart of policymaking if government is to become truly outcome-focussed.

That means a new relationship between people and government.

It means the answer to our problems will not be an ever-increasing roller-coaster of tax and spend.

Nor must we borrow to the eye-balls and hope against recent history that the miracle of growth happens and future generations are not sunk by it.

It means that, yes, the government can, should, and will look after you in times of need. But if we are to truly thrive as a nation, the pandemic has shown that we must unburden government and take on more responsibility to care for each other: to get involved in our local communities, volunteer, check on our neighbours, look after our own health, and build families.

Where central command and control has been found wanting in recent months, community groups have delivered food parcels, cared for the sick and dying, and offered contact to the lonely. Parents have educated their children, calmed their concerns, and nurtured their growth. No amount of government money can do that.

And so Part Three looks at what a new settlement might look like, where human flourishing is central, and our relationships with each other, rather than government, take the front seat.

# Executive summary

This report is written in three parts, to look at the economic, social, and political impact of the Coronavirus crisis.

The three different parts respectively reveal the CSJ's priorities in the short, medium, and long term, to both recover from and learn from the past six months. In the short term the priority is jobs, in the medium term we need wider social support, but in the long-term Coronavirus has revealed the need for an entirely new social and political contract.

## Jobs

Our work on employment revolves around getting people into work and the recommendations focus on five main areas to support this:

- More generous support through the welfare system.
- A scaled up 'back to work' programme.
- Tax incentives for businesses to create jobs.
- A big increase in R+D spending.
- Focused spending commitments in poor communities.

## Social support

We have identified 10 areas of focus for social policy, where Coronavirus has exposed serious shortcomings or seen best practice that can be expanded on. These are:

**Policy 1:** Put families at the heart of our vision for the recovery

**Policy 2:** Rebuild our society around strong local communities

**Policy 3:** Kick-start the recovery by rebooting adult training

**Policy 4:** End homelessness and rough sleeping once and for all

**Policy 5:** Solve the problem of problem debt

**Policy 6:** Set up a national network of Family Hubs

**Policy 7:** Support our most vulnerable children through education

**Policy 8:** Accelerate a highly effective addiction recovery strategy

**Policy 9:** Reform our failing, overlooked prison system

**Policy 10:** Fight the scourge of modern slavery head on



## A new political contract – The Britain Deal

It is in the third, long-term area, that we believe most radical change is needed. Our country needs to establish a new contract between people and the state. Building on work done in Wigan to clearer outline the responsibilities of individuals and provisions of the local authority, we have drawn up a 'Britain Deal' to start a conversation on how personal empowerment and responsibility has been shown to be so much more effective than state control over the last six months.

The deal could look something like this:

	The British People	The British Government
Me and my family	Parents support their child's stability and learning at home	Every child has access to a great education
	People take steps to exercise, eat and live healthily	The NHS remains a world-leading health service
	Look after and support elderly family members	A social care system that's funded and fit for the 21st Century
	Save for your future whenever possible	Provide a comprehensive social security system, available to all
My community	Play an active role in your community and look out for your neighbours	Devolve funding and power to a more local level wherever possible
	Respect and uphold the law	A community-led police force with public safety at its heart
My nation	Work and pay taxes wherever possible	Keep taxes low and support a strong economy and labour market
	Recycle and look after our green and natural environment	Take steps to reduce the country's carbon footprint

PART ONE

# The economic deal: work

## Introduction

The Covid-19 crisis shook British society and the British economy to its core. The premature death of over 40,000 British people who caught the virus is a national tragedy. The Government took the right steps at the time to shield the population from this pandemic by shutting down large parts of the economy.

However, now is the time for the British Government to put in place a long-term economic recovery plan. At its root should remain the belief that jobs are the first component of a sound economic recovery. The economic damage caused by the pandemic and subsequent shut down was significant. As of 14 June, 1.1 million businesses had furloughed 9.1 million workers, at a cost of £20.8 billion. A survey by Resolution Foundation found approximately 15 per cent of furloughed staff expected to lose their jobs, and 20 per cent expected to have their hours reduced. ONS statistics released the same week showed payroll numbers had dropped by 600,000, eroding two and a half years of employment growth in the space of three months. GDP fell by 20 per cent in the month of April. Unsurprisingly, it was low income and low skilled households that were most vulnerable to losing work and an income. By the summer, Britain had entered the largest recession since the second world war.

This report provides a blueprint for the government, to:

- 1 Get Britain back to work, and
- 2 'Level Up' Britain.

Britain cannot recover if people are laid off and left to languish on benefits. Work is not just an income; it is purpose, dignity, and a route out of poverty that is beneficial for both mental and physical health. Job growth has to be the first priority for this Government. That means supporting people to get in to work as well as support for industries to create good and well-paid jobs.

Chapter 2 lays out steps that can support the supply of labour in the UK economy. How Universal Credit can boost the incomes of low-income household so that they continue to consume. and do not get locked out of the labour market. This report discusses the opportunity to expand the Work and Health Programme so that Britain has an employment support programme ready to help millions of people back to their places of work.

Chapter 3 outlines plans to boost demand for labour in the UK economy: Policies supporting the business community, creating jobs by 'Levelling Up Britain'. Proposals include an Annual Investment Allowance of £1 million and the creation of Free Ports across the UK. Lastly, the report calls for a significant increase in spending on R+D to trigger a high-value growth spurt in the economy, as well as a review of burdensome regulations for UK industry.

We forecast the policy proposals here will cost the Government an additional £40 billion over the remainder of this parliament. The CSJ will address efforts to reduce the deficit and public debt burden in Part Three of our post-Covid-19 report. The steps are proven to support positive and sustainable job growth. Enacting them will help power a great British recovery.

# Anatomy of a crisis

The global events surrounding the Covid-19 pandemic were unprecedented. On 21 January (the first day of official records) there were just 262 confirmed official cases of coronavirus globally. By 21 April, there were more than 2.5 million cases confirmed and 176,926 deaths. When newly appointed Chancellor of the Exchequer, Rishi Sunak delivered his first budget on 11 March, there were 384 cases of coronavirus in the UK and six people had died. Within a month, 78,607 more people had contracted the virus, and 9,869 more people had tragically passed away as a result of contracting Covid-19.

By 11 April, the entire country had entered an enforced lockdown. Schools had closed for children of non-key workers and those not considered vulnerable. Bars, restaurants, pubs and most retail outlets were forced to close to prevent the spread of the disease. While the Prime Minister had said, in a televised address to the nation on 18 March, that people could leave home for essential shopping needs, medical help, to exercise, and for vital work-related activity; strict measures were enforced preventing people from gathering or enjoying leisure time outdoors. Police were given the powers to disperse any gatherings of more than two people and issue fines of up to £120 on people who broke quarantine regulations.

The British and global economies began to see the impact of the public health disaster as early as February. Between 19 February and 19 March, the FTSE 100 Index lost 29 per cent of its value, while the main US index the Dow Jones Industrial Average had lost 35 per cent. On 12 March, the FTSE 100 lost more than 10 per cent in a single day. Oil prices around the world collapsed, although this was partly down to Saudi Arabia's decision to reduce the cost of exported oil in a price war with the Russian government. Sterling fell 12 per cent to \$1.15 between late February and early March, before rebounding to \$1.25 in April.

**Claims for Universal Credit increased six-fold in the weeks after the lockdown was introduced. Between 16 March and the end of April, DWP received over 1.8 million claims.**

In the UK, domestic economy statistics began to worsen considerably. Claims for Universal Credit increased six-fold in the weeks after the lockdown was introduced. Between 16 March and the end of April, DWP '*received over 1.8 million claims for Universal Credit, over 250,000 claims for Jobseeker's Allowance, and over 20,000 claims for Employment and Support Allowance*'.<sup>1</sup> ONS surveys of businesses showed revenue had fallen by more than 50 per cent for one-quarter of businesses in the UK. While BBC Radio 4 reported

---

<sup>1</sup> Rt Hon Thérèse Coffey MP, Oral statement to Parliament – DWP's response to coronavirus (4 May 2020)

that nearly one-fifth of small businesses were weeks from collapse,<sup>2</sup> large businesses were not immune from the economic impact. Virgin Atlantic asked for Government support, and Easy Jet claimed a £600 million loan from the Treasury in early April.<sup>3</sup> On 14 April the Office for Budget Responsibility (OBR) released economic forecasts showing Real GDP falling by 35 per cent in Q2 2020, and rebounding by 27 per cent in Q3.

Daily press conferences were held by senior government officials to update the public on the most recent infection and death rates linked to Covid-19 and to announce new policy measures to mitigate the impact of the pandemic. Public outcry over the availability of Personal Protective Equipment (PPE) and anti-body tests for frontline workers dominated news cycles. The nation was shocked and concerned at the news that Prime Minister Boris Johnson tested positive for coronavirus on 27 March, was admitted to hospital on 5 April, and taken into intensive care with severe breathing difficulties 48 hours later.

One public response to the pandemic included panic buying of certain products and necessities. Purchases of hand sanitiser gel sales spiked by 255 per cent in February,<sup>4</sup> demand for toilet paper increased by 80 per cent in March,<sup>5</sup> and by the end of March supermarkets including Tesco, Asda and Waitrose had implemented rationing of certain products to five pieces per customer. Secondary markets on sites such as eBay saw sanitisers, soaps and other cleaning products exchange for 50 times their retail price.<sup>6</sup> A video posted to Twitter of NHS worker Dawn Bilbrough's breakdown as a result of being unable to buy groceries from her local supermarket after a 48-hour shift, evoked a sense of public outrage.

However, there was also a very public outpouring of altruism, specifically targeted toward vulnerable members of the population and frontline care workers. Thursday night 'clapping for our carers' became ritualistic, drawings of rainbows appeared in windows to show solidarity with NHS staff, 750,000 people volunteered to help the NHS, charities like Silverline were inundated with offers of voluntary support and stopped taking new recruits, community organisers sprung into action arranging food parcels to be delivered, schools were reopened to become informal hubs of community support, and there was an explosion in fundraising for NHS workers and charities, typified by the remarkable story of 100-year-old war veteran Captain Tom Moore who wanted to walk 100 lengths of his garden to raise £1,000 for NHS Charities Together but ended up raising £32,796,425<sup>7</sup> from 1.5 million donations made by members of the public.

By May 2020, the national Covid-19 death toll surpassed 30,000 and Britain became the worst impacted country in Europe with nearly one-quarter of a million confirmed cases. The idea of a 'New Normal' had entered the British lexicon. As the international medical community warned that life could not return to normal until a vaccine had been found (and this could take years) there was a sense across the British public that life as people knew it had changed. A poll commissioned by the Royal Society for Arts (RSA) and Food

2 <https://smallbusiness.co.uk/nearly-1m-businesses-on-brink-of-collapse-warn-accountants-2550079/>

3 Williams-Gut, O. EasyJet jumps on £600m government loan and hopes of COVID-19 peak (Yahoo Finance, 7 April 2020)

4 [www.independent.co.uk/life-style/food-and-drink/coronavirus-stockpile-emergency-list-food-hand-sanitiser-panic-buying-a9373061.html](http://www.independent.co.uk/life-style/food-and-drink/coronavirus-stockpile-emergency-list-food-hand-sanitiser-panic-buying-a9373061.html)

5 [www.express.co.uk/life-style/life/1264386/toilet-roll-coronavirus-demand-stockpiling](http://www.express.co.uk/life-style/life/1264386/toilet-roll-coronavirus-demand-stockpiling)

6 [www.independent.co.uk/news/uk/home-news/uk-supermarkets-coronavirus-stockpiling-rationing-tesco-waitrose-toilet-roll-hand-sanitiser-a9385391.html](http://www.independent.co.uk/news/uk/home-news/uk-supermarkets-coronavirus-stockpiling-rationing-tesco-waitrose-toilet-roll-hand-sanitiser-a9385391.html)

7 Note: As of 5 May 2020

Foundation found that 85 per cent of the British public wanted to see *'at least some of the personal or social changes they have experienced continue afterwards, while just 9 per cent want a complete return to normal'*,<sup>8</sup> with:

- 51 per cent saying they have noticed cleaner air.
- 27 per cent noticing more wildlife.
- 40 per cent feeling a stronger sense of local community.
- 39 per cent more in touch with friends and family.
- 10 per cent had shared food or shopping with a neighbour for the first time.
- 38 per cent responded that they were cooking more from scratch.
- 27 per cent are getting more exercise (although 36 per cent of respondents said they are getting less exercise than before).<sup>9</sup>

As of September 2020, there had been over 300,000 confirmed cases of Covid-19 and over 41,000 deaths in the UK. The risk of a second wave increased significantly. Travel restrictions were placed on a raft of European countries, including France, Spain, and the US. The Prime Minister made a moral argument for ensuring schools reopened in September, and SAGE claimed that bars and restaurants might have to close again so that this could happen.

## Impact on the most vulnerable people

The Covid-19 crisis in Britain put huge strains on public services, businesses, and people. Unsurprisingly the most vulnerable in our society were both most at risk and hardest hit.

Disadvantaged learners already faced an 18-month attainment gap by the time they sat their GCSEs. A strong body of literature suggests that school closures adversely affect disadvantaged pupils more than their peers; even relatively short absences, including over school holidays, can start to sap progress. Disadvantaged children have poorer digital access. According to a recent *Teacher Tapp* survey of 6,000 teachers, only two per cent of teachers in our most disadvantaged schools believe all their pupils have access to adequate devices for online learning. Teachers in the most disadvantaged schools are six times less likely to think that all their pupils have adequate access to the internet than those in the most affluent schools. According to a CSJ survey of AP heads, one headteacher mentioned that in the first two days of lockdown, they had made two referrals to social care following calls from the police about domestic violence at pupils' homes. Fifty-five per cent of teachers from the most disadvantaged schools think the average pupil in their class is learning for less than one hour a day. And many vulnerable children who are still allowed to attend school are just not turning up – while teachers do a brilliant job looking out for these children, some will inevitably fall through the net.

Older disadvantaged adults were more likely to be furloughed or lose their job during the crisis. Resolution Foundation analysis found that workers in industries forced to close down were younger and economically already worse off, *'Typical pay for workers in shutdown sectors is less than half that of those able to work from home – £348 a week compared*

---

8 RSA, Brits See Cleaner Air, Stronger Social Bonds And Changing Food Habits Amid Lockdown (17 April 2020)

9 RSA, Brits See Cleaner Air, Stronger Social Bonds And Changing Food Habits Amid Lockdown (17 April 2020)

to £707 a week... [and] their average age of 39 is four years below the average age of those who can work from home'.<sup>10</sup> In the 2008 UK recession, despite the broader UK labour market holding up well with minimal impacts on unemployment, younger workers bore the brunt of the economic hit, 'the unemployment rate for those aged 18 to 29 rose by 4 percentage points and average real earnings for this group fell by 9 per cent'.<sup>11</sup>

Financial insecurity, on the whole, rose both during and as a result of the pandemic. YouGov published a financial monitoring tracker with Standard Life Foundation. In April it showed 50 per cent of UK households expected to struggle to meet financial commitments over the next three months, 7 million households (25 per cent all households in the UK) had lost a significant part of their earned income as a result of the crisis, 7.9 million households (28 per cent of the UK) experienced financial difficulties (3.1 million households were in 'deep financial difficulty', and a further 4.8 million households were 'struggling to make ends meet').<sup>12</sup>

Many households already had severe levels of problem debt going into the crisis. CSJ calculations showed there were 9 million people that would be considered over-indebted and 3.3 million people in severe problem debt in the lead up to the crisis. The crisis also forced 4 million households to fall behind on rent, council tax and their telephone bills.<sup>13</sup>

With so much uncertainty around many individual's financial situations and job prospects, it is unsurprising that there was an increase in instances of personal crisis. According to the Money and Mental Health Policy Institute as many as 100,000 people in problem debt attempt suicide every year, with debt-related mental health issues costing the NHS some £1 billion per annum.

There is evidence that people felt lonelier during the lockdown. The Mental Health Foundation released survey results in April showing one in four (24 per cent) of UK adults reported they had feelings of loneliness in the 'previous two weeks'. This was two and a half times higher than the rate of loneliness among adults in the weeks before lockdown. Young people aged 18 to 24 were most likely to experience loneliness since the lockdown began with almost half (44 per cent) feeling this way.<sup>14</sup> ONS data showed a significant increase in reported feelings of anxiety and declining incidence of reported feelings of happiness,<sup>15</sup> 'Between 20 and 30 March, 20.7 per cent of people reported having low happiness levels (rating between 0 and 4 out of 10). For reference, it was 8.4 per cent for October to December 2019'.

Domestic violence towards spouses, children and parents increased. Head of Family Policy, Cristina Odone, wrote in April 2020 that, 'Charities dealing with domestic abuse are reporting a dramatic spike in the number of calls to their helplines ever since the lockdown: calls to the National Abuse Hotline in the UK soared by 65 per cent last month and by 25 per cent

10 Gustafsson, M. and McCurdy, C. Risky Business (Resolution Foundation, 28 April 2020)

11 Clarke, S. Growing Pains: the impact of leaving education during a recession on earnings and employment (Resolution Foundation, 13 May 2019)

12 Coronavirus: Half of all UK households believe they will struggle to meet their financial commitments (Standard Life Foundation, 30 April 2020)

13 Citizens Advice, Near the cliff-edge: how to protect households facing debt during COVID-19 [accessed via: [www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/FINAL01\\_05%20-%20Near%20the%20cliff-edge\\_%20how%20to%20protect%20households%20facing%20debt%20during%20COVID-19.pdf](http://www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/FINAL01_05%20-%20Near%20the%20cliff-edge_%20how%20to%20protect%20households%20facing%20debt%20during%20COVID-19.pdf)]

14 The Mental Health Foundation, Loneliness during coronavirus [accessed via: [www.mentalhealth.org.uk/coronavirus/coping-with-loneliness](http://www.mentalhealth.org.uk/coronavirus/coping-with-loneliness)]

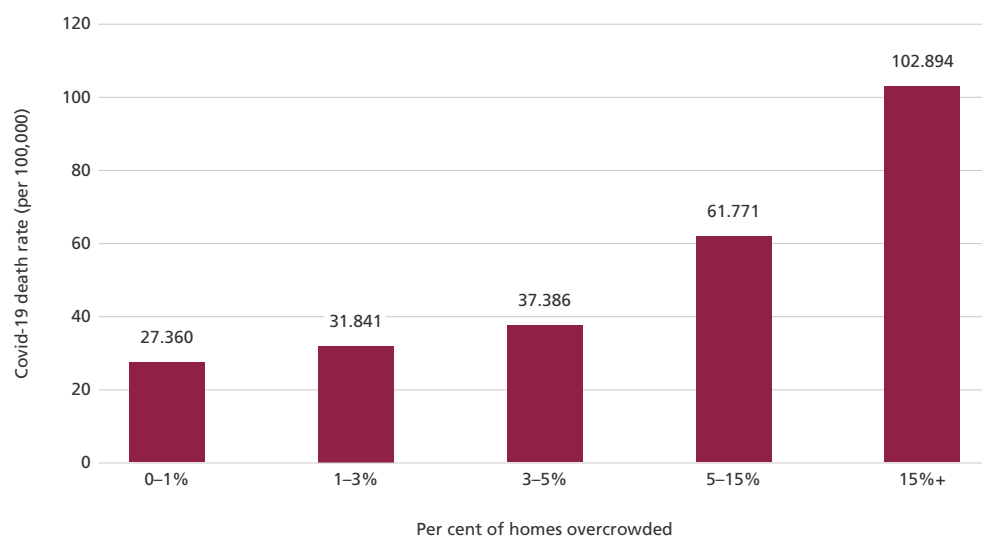
15 Personal and economic well-being in Great Britain: May 2020 (ONS, 4 May 2020)

in a five day period last week; AgeUK reports 88 per cent increase in calls to its advice line'.<sup>16</sup> Home Secretary Priti Patel announced on 11 April that the National Domestic Abuse Helpline reported a 120 per cent rise in calls in one 24-hour period.

While total crime numbers did, in fact, fall during the crisis, fraud, online child abuse, and incidences of modern slavery continued and worsened in some cases. Action Fraud reported in April that 824 people had fallen victim to scams which had netted perpetrators £2 million. There were already 10,627 suspected victims of modern slavery in the UK in 2019, and as police resources were reallocated to managing the response to the Covid-19 crisis, CSJ surveys suggested that detection and support for victims collapsed.

Finally, the homeless population – including both those sleeping rough and those in cramped temporary accommodation – found themselves uniquely exposed to the virus. The figure below shows that the Covid-19 death rate among boroughs with higher rates of temporary accommodation for homeless people was significantly higher. Areas with housing shortages and high rates of homelessness correlated starkly with those suffering the highest Covid-19 fatalities. Newham had the highest death rate linked to Covid-19 of any borough (144.3 deaths per 100,000) and is also one of the most overcrowded boroughs for housing (25.2 per cent of homes are overcrowded).<sup>17</sup>

Figure 1: Covid-19 death rates versus homelessness (Inside Housing)



Source: Inside Housing.

## Policy response

Over the first three months of the Covid-19 crisis, the Government made a number of important and welcome policy interventions designed to mitigate the public health and economic problems posed by both the pandemic and the economic fall-out from lockdown. They are listed below:

<sup>16</sup> Cristina Odone, *What the police are doing about domestic abuse during the shutdown. And what more they should do* (Conservativehome.com, 15 April 2020)

<sup>17</sup> Baker, N. *The housing pandemic: four graphs showing the link between COVID-19 deaths and the housing crisis* (Inside Housing, 29 May 2020)



Date	Policy	Target group	Detail
<b>Main Covid-19 packages</b>			
Budget announcements 11 March	£5bn Covid-19 response fund	Public services	£5bn made available for pressures related to Covid-19. £1.6bn for local authorities; £1.3bn for NHS discharge process
	£500m hardship fund	Local authorities, vulnerable people	£500m for councils to support economically vulnerable people – e.g. through council tax relief
	Business rates relief	Retail, hospitality, leisure, and pub sector	100 per cent tax relief for retail; relief expanded to leisure and hospitality sectors; rates discount increased from £1,000 to £5,000 for pubs (valued at <£100,000)
	£2.2bn small business grants	Businesses eligible for Small Business Rates Relief (SBRR)	£2.2bn for councils to provide £3,000 to businesses currently eligible for SBRR relief
	Tax affairs support	Businesses and self-employed people	Dedicated helpline and bespoke tax payment schedules
	Coronavirus Business Interruption Loan Scheme (CBILS)	Businesses	Support for small and medium-sized businesses (up to £45m turnover) in accessing loans and overdrafts of up to £5m each. Lenders given 80 per cent government guarantee on loans
	Statutory Sick Pay (SSP) extension	Workers	SSP extended to individuals advised to self-isolate and those self-isolating because of Covid-19 symptoms within their household
Coronavirus Act 2020 25 March	Powers to close schools and childcare services	Schools and childcare	All schools and childcare services closed from Friday 20 March, except for children of key workers
	Rebate for Statutory Sick Pay for SMEs	SMEs and employees	Statutory sick pay to be made available earlier and SMEs to be refunded for SSP of staff during the outbreak
	New powers for authorities in containing spread of virus	Police, local authorities, public	Powers given to authorities to detain and isolate individuals with Covid-19, close premises, and prohibit events
	Elections postponed	Local authorities	Local council and other elections (e.g. London Mayoral election) postponed for a year
	Protection for tenants from evictions	Tenants, landlords	Statutory notice period for evictions for most residential tenancies extended from 2 to 3 months
<b>Businesses and workers</b>			
20 March	Job retention scheme	Employers and employees	Government covers 80 per cent of furloughed workers' wages (up to £2,500 per month). Launched 20 April
20 March	Nearly £1bn increases in welfare support	Welfare claimants	Increase in Universal and Tax Credits by £20 a week. Local Housing Allowance to cover at least 30 per cent of local market rents
23 March	£330bn business support	Businesses	£330bn made available to businesses through the CBILS and Corporate Financing Facility (CFF)
26 March	Self-Employed Income Support Scheme	Self-employed workers	Government 80 per cent of self-employed people's monthly profits based on 3-year average and up to £2,500 up to <£50,000.

Date	Policy	Target group	Detail
<b>Businesses and workers</b>			
3 April	Coronavirus Large Business Interruption Loan Scheme	Large firms	Large firms (between £45–500m turnover) allowed to apply for loans up to £25 million. Extended to firms £500m+ on 17 April
3 April	£167 Covid-19 Bus Services Support Grant	Bus operators	Up to £167m extra funding for bus operators maintaining necessary services
27 April	Bounce Back Loan Scheme	Small businesses	100 per cent government backed loans between £2,000 and £50,000 – no payment due and interest-free for the first year
<b>Local authorities and schools</b>			
26 March	Protection of homeless individuals	Local authorities, homeless individuals	Minister for Local Government and Homelessness writes to local authorities setting out measures to protect and house homeless individuals
16 April	Financial relief for councils	Local authorities	Councils allowed to defer £2.6bn due to central government over next 3 months. £850m social care grant brought forward
18 April	£1.6bn for councils	Local authorities	£1.6bn extra funding for local authorities. Local authorities given freedom over spending
7 April	Schools funding for exceptional Covid-19 costs	Schools	Funding made available for additional costs incurred as a result of Covid-19
<b>Charities</b>			
3 April	£3m fund for food charities	Food redistribution charities	£3m for charities to cover activities associated with redistribution of food
8 April	£750m charity fund	Frontline charities	£750m for 'frontline charities' such as hospices and domestic abuse support charities. Government to match donations made during BBC Big Night In fundraiser, minimum of £20m
2 May	£76m vulnerable people package	Vulnerable people	£76m package to support for victims of domestic and violence, modern slavery, and vulnerable children. Domestic abuse victims to be considered as priority for council housing

## part one | chapter two

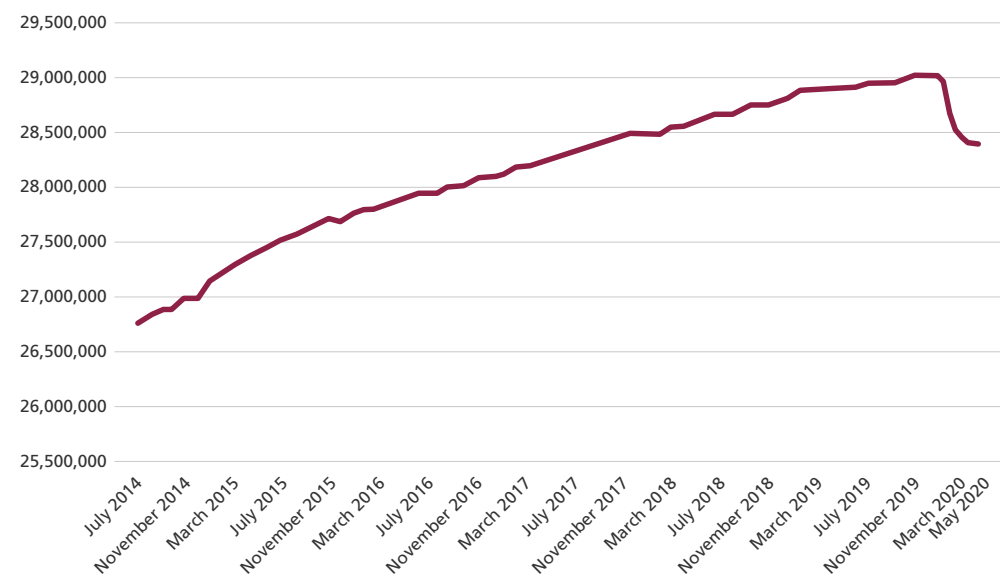
# Getting Britain back to work: jobs, jobs, jobs

The first priority for Government policy in the aftermath of the pandemic must be both getting the economy back on track but also building an economy more resilient in the future. Central to achieving this should be getting British workers back to work and protecting jobs at risk in the downturn.

August PAYE data released by the NS showed the number of paid employees 2.2 per cent lower in July 2020 compared with July 2019. 114,000 fewer people were in paid employment when compared with June 2020, and 730,000 fewer people were in paid employment when compared with March 2020.<sup>18</sup>

**The significant increase in unemployment in 1980s Britain triggered an economic and social collapse in communities... The loss of jobs triggered social dysfunction, which in turn makes it harder for local actors and communities to attract jobs back to that area.**

Figure 2: Number of PAYE employees in the UK (August 2020), ONS



<sup>18</sup> ONS, Earnings and employment from Pay As You Earn Real Time Information, UK: August 2020

## Why is work so important?

Jobs are an essential component of the economy, but work is also an essential institution in our personal and social lives. Work is one of the best mechanisms to help people out of poverty; someone out of work is four-times more likely to be in poverty than someone with an income and a job.<sup>19</sup> The Royal College of Psychiatrists is unequivocal on the importance of employment for people with mental health problems; they say it is:

- Central to personal identity.
- Provides structure and purpose to the day.
- Gives opportunities for socialisation and friendship.
- Increases social networks – a core component of social capital.
- Can offer a role valued by society.<sup>20</sup>

Public Health England links unemployment with increased risk of mortality and morbidity and says it can increase the risk of '*long term diseases, cardiovascular disease, poor mental health, suicide, and health-harming behaviours*'.<sup>21</sup> The Health Foundation also cite clear evidence linking unemployment with unhealthy behaviour; '*[unemployment] can result in unhealthy coping behaviours, such as smoking and drinking.*'

Of course, prolonged periods of unemployment are far more damaging to people and wider society than shorter periods of high unemployment. One of the successes of the policy response to the last UK recession in 2008 was the ability to limit the loss of jobs. Since then, huge numbers of roles have been created, largely in the private sector and a majority of those are high skilled (see Figure 6).

The significant increase in unemployment in 1980s Britain triggered an economic and social collapse in communities that were previously dependent on production industries such as steel, shipbuilding and coal mining. The CSJ report *Regional Revolution* (2018) concluded that '*from a social perspective, low skilled work, unemployment and welfare dependency have led to a sense of loss and social atomisation in these communities*'.<sup>22</sup> Drug dependency, crime, and mental ill-health became rife in towns across Wales, the North and Midlands and continue today, three decades later. The five police force areas with the highest recorded rates of domestic violence in 2017 included Durham (36.60 per 1000 population), Cleveland (27.50), Gwent (27.50), South Wales (25.30) and Humberside (24.60) – all areas massively impacted by post-industrial decline. Journalist James Bloodworth described a scene in Blackpool where he saw people '*labouring under the effects of the drug spice, a crumbly mixture of synthetic chemicals and herbs that resembled cannabis*'.<sup>23</sup>

Finally, and perhaps the most damaging aspect of mass unemployment in de-industrialised parts of England and Wales has been educational decline. Educational performance in parts of the North and Midlands are drastically lower than in the South. A student in the

---

19 DWP, Households Below Average Income: An analysis of the UK income distribution: 1994/95–2018/19 (26 March 2020)

20 [www.rcpsych.ac.uk/improving-care/campaigning-for-better-mental-health-policy/other-policy-areas/work-and-mental-health/information-for-clinicians](http://www.rcpsych.ac.uk/improving-care/campaigning-for-better-mental-health-policy/other-policy-areas/work-and-mental-health/information-for-clinicians)

21 [www.gov.uk/government/publications/health-matters-health-and-work/health-matters-health-and-work](http://www.gov.uk/government/publications/health-matters-health-and-work/health-matters-health-and-work)

22 Spencer, P. *Regional Revolution: Part II: Rebalancing growth and opportunity in post-industrial Britain* (CSJ, September 2018)

23 Bloodworth, J. *HIRED* (Bloomsbury, 2018)

South East is 20 per cent more likely to pass English and Maths GCSE<sup>5</sup> than one in the North East, and a student in Sutton (the highest performing borough in London) is twice-as-likely to pass English and Maths GCSE than a student in Stoke-on-Trent.<sup>24</sup>

The reality is that sudden and structural increases in unemployment, like the kind experienced in parts of the country in the late 70s and 80s, can have a massive impact on the long term economic and social fabric of a community. The loss of jobs triggered social dysfunction, which in turn makes it harder for local actors and communities to attract jobs back to that area; *'structural poverty (lack of job, income and opportunity) has a pernicious effect on social outlook and community culture. Keith Joseph understood it as the Cycle of Transmitted Deprivation while Michael Rutter and Nicola Madge called it the Cycles of Disadvantage. When a community experiences an economic shock, the social problems that evolve as a result make it harder to bring back jobs, investment and opportunity. Once the vicious cycle of social breakdown sets in, economic revival becomes almost impossible'*.<sup>25</sup>

It is for these reasons above that the purpose of Government policy going forward in response to the Covid crisis should be focussed on creating as many jobs as possible.

## Disadvantaged people in the labour market

Some groups of workers have either been disproportionately impacted by the crisis or are disproportionately impacted by economic recessions.

### 1. Low skilled workers

In 2019, 10 per cent of the UK workforce was considered to be in low skilled employment, and 32.2 per cent in low-middle skilled employment<sup>26</sup> – an estimated 13.8 million workers in total.<sup>27</sup> Men working in low skilled jobs were more at risk of death linked to Covid-19 than men in mid and higher skilled occupations. Within the low skilled category, security guards and process plant operatives were the most at risk. Men were more susceptible than women, *'the rate of death involving Covid-19 being statistically higher in males, with 9.9 deaths per 100,000 compared with 5.2 deaths per 100,000 females (882 deaths)'*.<sup>28</sup>

24 Spencer, P. Regional Revolution: Part II: Rebalancing growth and opportunity in post-industrial Britain (CSJ, September 2018)

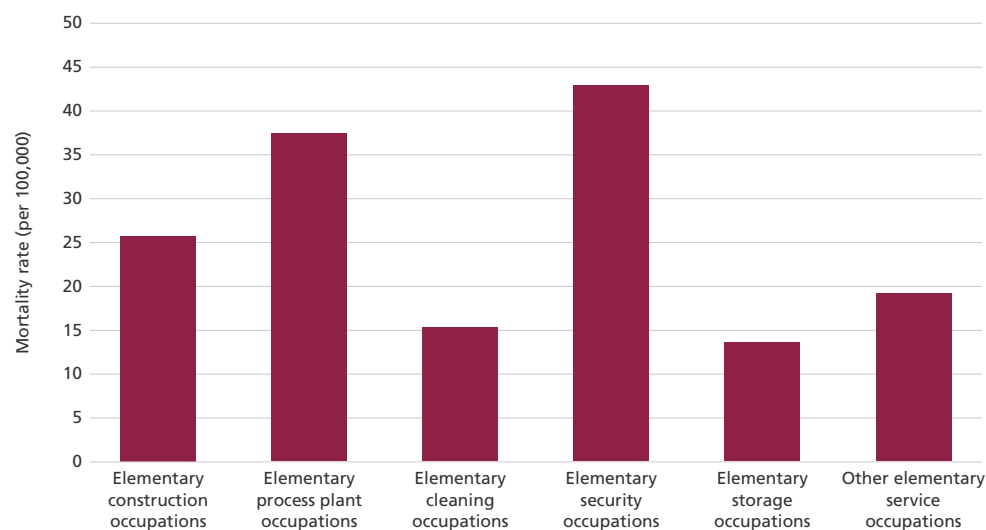
25 Spencer, P. (2018), Ibid

26 Note: SOC2020 Classifications. Low skilled occupations include elementary occupations. Lower-Middle skilled occupations include administrative and secretarial occupations, caring, leisure and other services, sales and customer service, and process, plant and machine operatives.

27 ONS, annual population survey – regional – employment by occupation

28 ONS, Coronavirus (COVID-19) related deaths by occupation, England and Wales: deaths registered up to and including 20 April 2020 (11 May 2020)

Figure 3: Age standardised mortality rates of death involving Covid-19 among the lowest skilled workers, men, in England and Wales, deaths registered up to, and including, 20 April 2020



Low skilled and low paid workers are also more at risk of being employed in an industry that was shut down during the crisis. The Institute for Fiscal Studies estimated that approximately 15 per cent of UK workers were employed in a sector that was shut down.<sup>29</sup> However, data from May showed the figure was closer to 25 per cent (costing the Government £14 billion per month).<sup>30</sup> The Resolution Foundation analysis found that low earners (defined as anyone in the bottom half of the earnings distribution) were 2.4 times more likely to work in shutdown sectors compared to sectors that allowed people to work from home.<sup>31</sup>

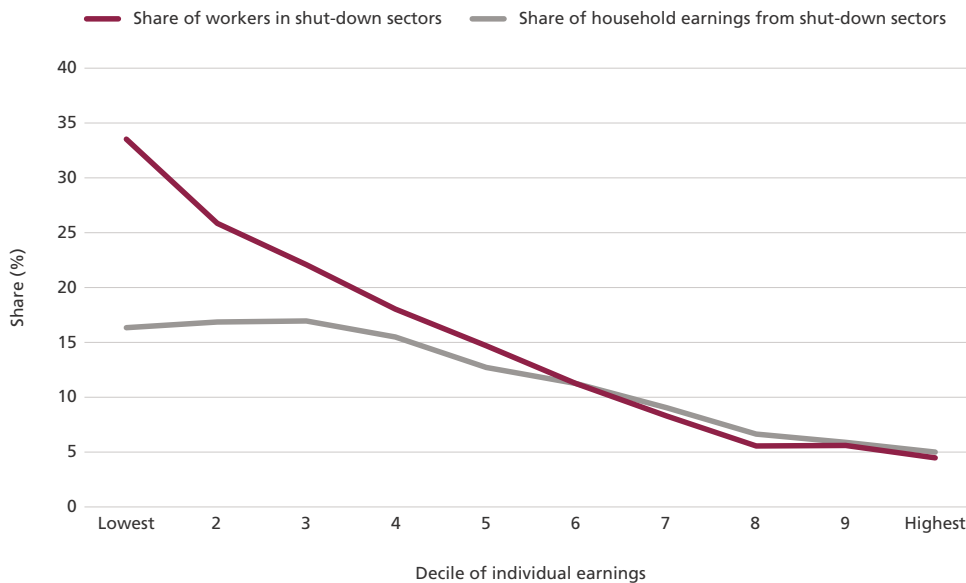
Workers in shut down sectors earned, on average, less than key workers, and those able to work from home. Fifty-five per cent of workers in shut down sectors were placed in the bottom three deciles of the income spectrum. They are more likely to be on a zero-hours contract and less likely to be in full-time employment.

29 Note: Shut down sectors included: Non-food, non-pharmaceutical retail; passenger transport; accommodation and food; travel; childcare; arts and leisure; personal care; domestic services.

30 [www.thetimes.co.uk/edition/news/coronavirus-furloughed-staff-turbocharge-pay-with-second-job-x8jjmjszr](https://www.thetimes.co.uk/edition/news/coronavirus-furloughed-staff-turbocharge-pay-with-second-job-x8jjmjszr)

31 Gustafsson, M. and McCurdy, C. Risky Business (Resolution Foundation, 28 April 2020)

Figure 4: Exposure to sector shutdowns, by earnings (IFS)



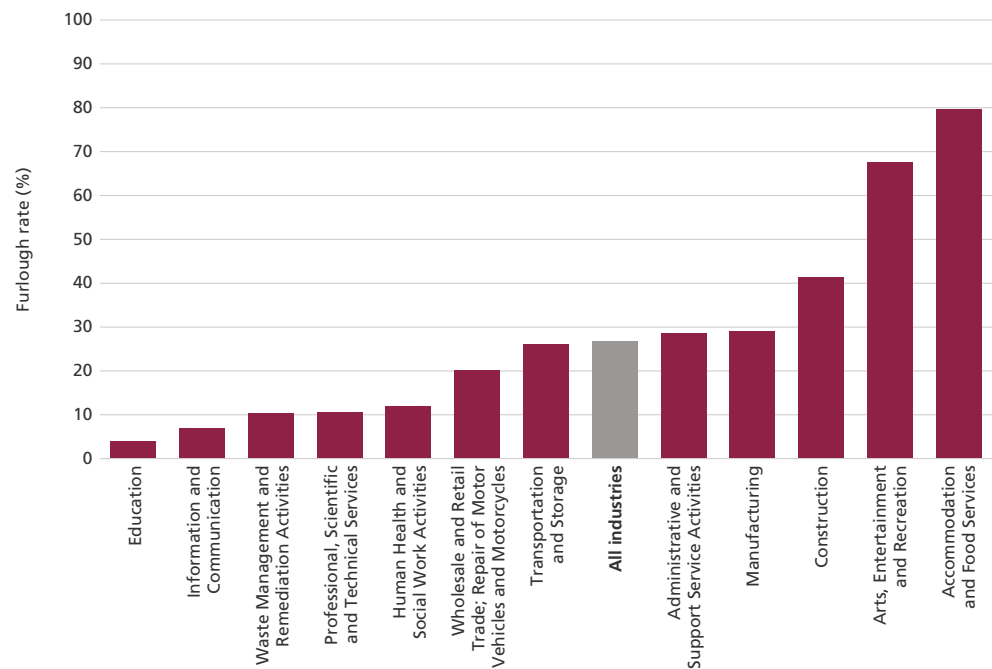
By early May 800,000 employers had applied to the Government to furlough workers, with an estimated 27 per cent of workers (between 6–8 million people) in the UK furloughed.<sup>32</sup> Data on furloughed staff shows that a high portion of workers furloughed were clustered around several sectors. ONS surveys showed that furloughed staff were more likely to work in sectors that were lower paid. These included the accommodation and food service sector (average weekly earnings of £260 compared to the UK average of £545), Arts, Entertainment and Recreation Sector (£396), and Administrative Support Services (£448).<sup>33</sup>

Furloughed workers were also more likely to find themselves in businesses that expected a rapid decline in activity as a result of the crisis. The furlough rate among employers who expected to increase workforce size in the near future was (unsurprisingly) just 0.7 per cent, whereas it was 20.3 per cent in businesses that expected to cut workforce numbers. This is hugely important in linking the rate for furlough with predicted rates of unemployment. Furloughed workers are more likely to lose their jobs by the end of the crisis than non-furloughed workers.

32 FT.com, Pay for more than 6m UK workers now covered by furlough scheme (4 May 2020) [accessed via: [www.ft.com/content/be2d317e-54f9-42b0-bf17-d4a9ae4d7489](http://www.ft.com/content/be2d317e-54f9-42b0-bf17-d4a9ae4d7489)]

33 ONS, Furloughing of workers across UK businesses: 23 March 2020 to 5 April 2020 (23 April 2020)

Figure 5: Rates of furloughing by sector (5 April 2020)



This corroborates with a large body of evidence showing that low skilled workers are disproportionately at risk of unemployment in an economic downturn. The UK Commission on Employment and Skills reported in 2014 that *'Evidence through the [2007/08] recession continues to show that those with higher skills and qualifications are more likely to stay employed and have substantially higher earnings prospects'*.<sup>34</sup> Researchers at the London School of Economics also found that job growth in the aftermath of the last UK recession disproportionately favoured high skilled workers, *'employment growth since the start of the recession has been overwhelmingly concentrated in high-skilled occupations, which saw growth of 10 per cent. There was only very slight growth (1.6 per cent) in medium-skilled occupations and a decline of 2.4 per cent in jobs in low-skilled areas'*<sup>35</sup> (see Figure 6).

Workers in low skilled employment are more likely to be young, part-time and low paid – all are more likely to struggle during a recession. Low paid workers are naturally more at risk of financial insecurity in a recession. According to the ONS Opinions and Lifestyle Survey 8.6 million people can expect to see a decline in their income as a result of Covid-19, 3.8 million are using up savings to cover living costs, and 2.6 million people are struggling to pay bills.<sup>36</sup> The Wealth and Assets Survey shows that less than half of employees in the bottom 20 per cent of earners would be able to withstand a shock of 50 per cent loss of income over a three month period.<sup>37</sup>

34 UKCES, The Labour Market Story: The UK Following Recession (July 2014)

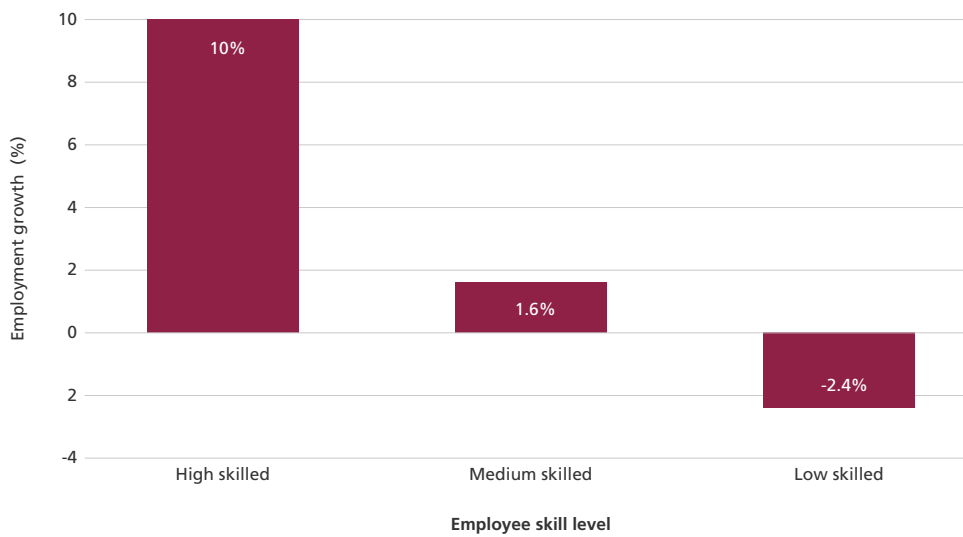
35 Coulter, S. The UK labour market and the 'great recession' (LSE Research Online, March 2016)

36 ONS, Personal and economic well-being in Great Britain (May 2020)

37 ONS Dataset, Wealth and Assets Survey – financial resilience (2 April 2020)



Figure 6: Proportion of employment growth by skill level of all employees (Q1 2008 to Q2 2014) (LSE)



## 2. Disabled workers

The Covid-19 crisis had a big impact on people who faced a mental or physical health condition. ONS survey of disabled people found 45.1 per cent of disabled adults (nearly 50 per cent more than the rate for non-disabled people) reported being *'very worried about the effect the coronavirus'*, with more disabled people spending a lot more time on their own and many more experiencing a negative impact on their wellbeing.<sup>38</sup>

People with mental and physical health conditions are more likely to experience poor outcomes in the labour market. The disability employment gap in September 2019 was 35 per cent. The unemployment rate for people with disabilities (compared to non-disabled people) was 81 per cent higher, and the economic activity rate for disabled people was 186 per cent higher.<sup>39</sup>

Disabled people are at higher risk of falling under the poverty line because extra costs related to having a disability. The Social Metrics Commission found *'Nearly half (48 per cent) of people in poverty – totalling 6.8 million people – live in a family where someone is disabled'*.<sup>40</sup>

## 3. The young and disadvantaged

Young people are at risk of losing employment opportunities and at risk of being made financially insecure during a recession. IFS analysis showed that *'employees aged under 25 were about two and a half times as likely to work in a sector that is now shut down as other employees. Sectors that are shut down as a result of social distancing measures employed nearly a third (30 per cent) of all employees under the age of 25 (25 per cent*

38 ONS, Coronavirus and the social impacts on disabled people in Great Britain (24 April 2020)

39 House of Commons Library, People with disabilities in employment (3 January 2020)

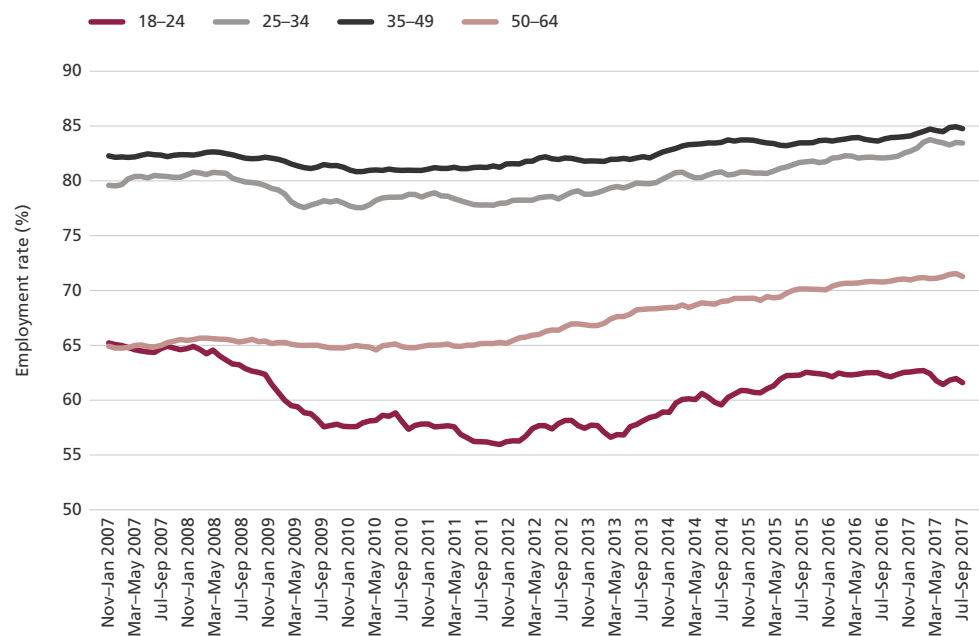
40 Social Metrics Commission, Measuring Poverty 2019 (July 2019)

of young men and 36 per cent of young women). This compares to just one in eight (13 per cent of) workers aged 25 and over'.<sup>41</sup> Women too are more likely to be key workers or find themselves in both shut down sectors compared to men.

**Employees aged under 25 were about two and a half times as likely to work in a sector that is now shut down as other employees.**

This is nothing new; in 2008 there was a marked decline in youth participation in the employment market of 15 to 20 per cent. 20 per cent of 18 to 29-year-olds had been made redundant or placed on furlough by May 2020.<sup>42</sup> Younger workers have also been likely to be employed in shut down sectors. Students and young people engaged in either seasonal or part-time work, dominate jobs in retail, hospitality, entertainment, restaurants and bars.

Figure 7: Employment Rate by age group (UK 2007–2017) (ONS)



Young people have lower levels of financial resilience due to having lower incomes and fewer financial assets (lower rates of homeownership and lower savings), though, in many of these situations they often rely on family members. A poll commissioned by the CSJ found that people between the ages of 18–34 were more likely to rely on parents for financial support when compared to older age groups. Seventy per cent of 18–24-year olds would go to parents for financial help if they lost their job unexpectedly, compared to 53 per cent for 35 to 44-year olds. However, this is just not an option for many young people who have left the care system or grew up in low income and chaotic families.

The impact of chaotic family breakdown on life outcomes was highlighted in the CSJ report *Why Family Matters* (2019). It found that adults who were exposed to family breakdown as a child were:

41 Xu, X. and Joyce, R. Sector shutdowns during the coronavirus crisis: which workers are most exposed? (IFS, 6 April 2020)

42 [www.thetimes.co.uk/edition/news/oldest-and-youngest-face-crisis-in-living-standards-dvxzlxk2b](http://www.thetimes.co.uk/edition/news/oldest-and-youngest-face-crisis-in-living-standards-dvxzlxk2b)

- Over twice as likely (2.3 times) to experience homelessness.
- Twice as likely (2.0 times) to be in trouble with the police or spend time in prison.
- Almost twice as likely (1.9 times) to experience educational underachievement.
- Almost twice as likely (1.9 times) to experience not being with the other parent of their children.
- Approaching twice as likely (1.8 times) to experience alcoholism.
- Approaching twice as likely (1.7 times) to experience teen pregnancy.
- Approaching twice as likely (1.7 times) to experience mental health issues.
- More likely (1.6 times) to experience debt.
- More likely (1.4 times) to experience being on benefits.<sup>43</sup>

### Back to work

The Government rightly recognised that unemployment rates have and will continue to increase. The Bank of England published a ‘worse case’ scenario that unemployment rates could peak at 9 per cent – approximately 3 million people unemployed. Many people without jobs will fall into the three ‘risk categories’ outlined above – the low skilled, disabled, and young.

**Discussions with frontline workers have shown that changes to the generosity of UC during the crisis have helped contribute to better mentality among claimants.**

While the demand side of the labour market will need support (we address these demand side measures in Chapter 3); helping businesses to take on staff, the supply side of the labour market is essential too. Government needs to help displaced workers get on to UC and look for work that is available. Extra support will be necessary to help people within these risk categories access work.

The introduction of Universal Credit (UC) in 2013 marked a significant shift in the focus of welfare policy from solely about income assistance to income assistance and support for claimants to get back in to work. Work coaches, JCPs, and the structure of UC are all structured so that people are better off in work than they would alternatively be on benefits.

Steps taken by this Government to increase the generosity of UC in response to the Covid-19 crisis are welcome. When economic confidence, job prospects, the possibility of a wage increase and job security collapse, the availability of a welfare support programme that ensures a standard of living commensurate with the cost of living is invaluable. Discussions with frontline workers have shown that changes to the generosity of UC during the crisis have helped contribute to better mentality among claimants. Increasing generosity of welfare entitlements is shown to be a more effective form of demand

<sup>43</sup> Centre for Social Justice, *Why Family Matters: A comprehensive analysis of the consequences of family breakdown* (March 2019)

stimulus than tax cuts for higher earners. A 2019 report from academics at Brunel University found that *'households with higher socioeconomic status have lower marginal propensity to consume'*.<sup>44</sup>

Further changes to UC in the short term could also help increase the financial return for many going in to work. The best way to increase the financial return for claimants entering into employment would be through a reintroduction of work allowances and a further reduction in the taper rate. However, under current circumstances, the CSJ feel it is the best time to consider an increase in the benefit cap. The cap currently limits the total amount a household can receive in benefits to £20,000 per year for families outside London (£23,000 per year for families in London). The principle of the benefit cap remains valid; no one on benefits should be better off on welfare than they would be on work. However, the current limit disproportionately impacts the most vulnerable claimants (specifically those with high housing costs). Increases in the LHA rate, standard allowance will have little or no impact on single parents in London who are working, accessing childcare, and on housing benefit. In April 2020, it was estimated that 76,000 working-age families were impacted by the benefit cap, on the eve of the Covid-19 crisis.<sup>45</sup>

The IFS said, *'The benefit cap acts to increase the financial payoff from moving into paid work or to a cheaper home. The evidence suggests that, in normal times, a small minority do respond in this way. But encouraging families to respond in this way is likely to be less effective, and indeed in many cases potentially harmful, at the present time'*.<sup>46</sup>

### **Recommendation 1**

The Government is right to maintain the increased generosity of UC in the long term. These levels of UC should be maintained in the future.

### **Recommendation 2**

The benefit cap constrains any nominal benefit to some households from increases in the LHA rate or standard allowance. HM Treasury and DWP should consider phased and incremental increases to the benefit cap back to where it was in 2015/16. Estimating the cost of increasing the benefit cap is complicated by behavioural changes and the volatility in the number of households claiming benefits. However, an impact assessment of cuts to the benefit cap in 2016<sup>47</sup> put the cost for 2019/20 at £100 million and £110 million for 2021/20. As the number of households has increased by nearly 20 per cent, we have increased the cost of lifting benefit cap by the same proportion. We estimate the cost of reversing cuts to the benefit cap to be £132 million in 2021/22 and future subsequent years. However, this is a conservative estimate.

44 Canbary, Z and Grant, C. The Marginal Propensity to Consume for Different Socio-economic Groups (Brunel University, October 2019)

45 Emmerson, C. and Joyce, R. If the cap doesn't fit? (IFS, 7 April 2020)

46 Emmerson, C. and Joyce, R. If the cap doesn't fit? (IFS, 7 April 2020)

47 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/548741/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/548741/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap.pdf)

A loosening of regulations introduced in the aftermath of the Covid-19 crisis have also eased work burden on UC, JCP staff and Work Coaches. JCP appointments were suspended, as were reviews and reassessments of disability benefits. Conversations with frontline workers in communities found these steps were welcome.

### Recommendation 3

Until JCP and Work Coaches have the capacity to carry out appointments for the entire claimant population, DWP should extend this temporary relaxation of regulations around UC claims until 2021/22.

The other main mechanism to support people back into work is via one-to-one (caseworker led) job mentoring programmes. This style of employment support has proven successful in the past. The Government set up the Work Programme in 2011 as a means to support unemployed claimants back in to work. Between 2011 and 2015, 1.8 million people were referred to the job programme, and approximately 28.5 per cent found a job, while 18 per cent had achieved a job outcome within 12 months of referral.<sup>48</sup> Cohorts with the highest rates of success included JSA claimants between the ages of 18 and 24. The Work Choice Programme ran alongside the Work Programme and had a special focus on supporting people with disabilities. Work Choice had higher outcomes, supporting 62 per cent of participants in to work between April and September 2015.<sup>49</sup> Currently, the Work and Health Programme is the main back to work scheme operated by the Government. Its results have proven disappointing so far (see Part Three, Chapter Two on Universal Credit and Universal Support).

International evaluations of caseworker led employment support have found they:

- Provide case workers with time to help claimants look for jobs online.
- Allow caseworkers the chance to advise claimants on job opportunities.
- Are inexpensive means of targeting people who are a very long way from the labour market.<sup>50</sup>

The empirical results show that:

- In Germany, a caseworker led employment support programme produced '*a 10 per cent positive effect on employment outcomes and more stable employment*'.
- A Danish 'Quickly Back to Work Programme' reduced the length of unemployment from 14 to 11.5 weeks.

48 House of Commons Library, Work Programme: background and statistics (21 March 2016)

49 Foster, S. Work Choice Evaluation and the DWP Disability Employment Strategy (Centre for Economic and Social Inclusion)

50 Professor Dan Finn, University of Portsmouth in Wilson, T., Cockett, J., Papoutsaki, D. and Takala, H. Getting Back to Work: Dealing with the labour market impacts of the Covid-19 recession (Institute for Employment Studies, 8 April 2020)

- Participants of a job search programme in Nevada (USA) *'had significantly shorter benefit durations and lower total benefits paid (1.82 fewer weeks and \$536 lower total benefits paid); were more successful in returning to work sooner in jobs with higher wages and retaining their jobs; and generated \$2.60 of savings for every \$1.00 of cost.'*
- A Swedish trial found that *'face-to-face and online/telephone 'distance' meetings increased exits out of unemployment by 3.5 percentage points in the first three months, and the 'treated' participants had 5.9 fewer days of unemployment in the year after participation.'*<sup>51</sup>

#### **Recommendation 4**

The Work and Health Programme (WHP) needs to be amended so that it is available to all people who are out of work. Currently, eligibility is reserved for people with a disability (with exceptions for other groups such as care leavers, refugees, victims of domestic violence and others). The WHP should specifically target anyone considered high risk above (the disabled, young people and the low skilled).

#### **Recommendation 5**

The Chancellor of the Exchequer was right to increase the size of the Work and Health Programme in his July economic statement. This report calls for him to go further on the detail and outline a significant increase in funding for the WHP. Currently, the WHP has been apportioned £130 million per year for 2019/20. HM Treasury should consider substantial increases in the budget for the WHP for the duration that the programme plans to run. With the almost tripling of the number of unemployed people in the UK so far, we would expect a similar multiple increase in funding to £390 million per year for 2021/22, 2022/23, and 2023/24.

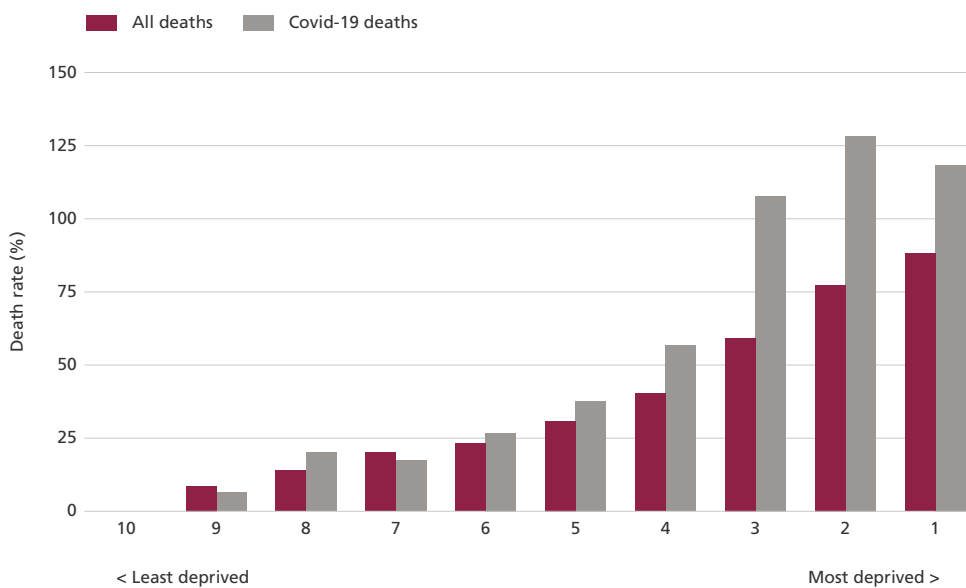
<sup>51</sup> Professor Dan Finn, University of Portsmouth in Wilson, T., Cockett, J., Papoutsaki, D. and Takala, H. Getting Back to Work: Dealing with the labour market impacts of the Covid-19 recession (Institute for Employment Studies, 8 April 2020)

## part one | chapter three

# Levelling up Britain

The impact of Covid in both public health and economic terms will vary across the country. Excluding London (which had the highest rates of Covid-related deaths), the parts of the country worst hit in the earlier stages of the pandemic were the West Midlands (25 per cent of deaths linked to Covid-19), North West (24 per cent) and the North East (22 per cent).<sup>52</sup> Unsurprisingly urban areas experienced higher rates of Covid-related deaths – the age-standardised mortality rate for urban cities/towns was a third higher than it was for rural towns.<sup>53</sup> Evidence suggests that the Covid-19 crisis disproportionately hit poorer areas of the country. The ONS found released data in May showing ‘*The age-standardised mortality rate of deaths involving Covid-19 in the most deprived areas of England was 55.1 deaths per 100,000 population compared with 25.3 deaths per 100,000 population in the least deprived areas*’.<sup>54</sup>

Figure 8: Death rate as a per cent difference from the least deprived decile (ONS)



52 ONS, Deaths involving COVID-19 by local area and socioeconomic deprivation: deaths occurring between 1 March and 17 April 2020 (1 May 2020)

53 ONS, Deaths involving COVID-19 by local area and socioeconomic deprivation: deaths occurring between 1 March and 17 April 2020 (1 May 2020)

54 ONS, Deaths involving COVID-19 by local area and socioeconomic deprivation: deaths occurring between 1 March and 17 April 2020 (1 May 2020)

The economic impact of Covid-19 will also be skewed regionally. Analysis carried out by the Centre for Progressive Policy found that communities in the UK that were reliant on manufacturing, construction and retail sectors were most exposed to a decline in economic activity. The five worst impacted local authorities included:

- Pendle (Lancashire, North West) and South Derbyshire where Rolls Royce have a huge local presence.
- Corby (East Midlands) where Tata Steel has a major footprint on the Willowbrook East Industrial Estate.
- Stratford-upon-Avon (West Midlands) has a number of large shopping outlets including B&Q, Sports Direct and B&M at their Maybird shopping park.
- Melton Mowbray (East Midlands) which has a large food manufacturing base.

CPP analyst Andy Norman pointed out *'Nine of the ten worst affected local authorities are in the Midlands or the North West. Of the twenty hardest hit local authorities, none are in the South East or London'*.<sup>55</sup> Rolls Royce's decision to cut 9,000 jobs across the UK was an early example of steps taken by firms to cut costs ahead of a prolonged downturn. With such disruption to the aerospace sector forecast, it is likely that towns such as Belfast (where Bombardier Aerospace is headquartered), Sheffield (where Boeing has a large presence) or Broughton in North Wales, near Chester and Liverpool (where Airbus has a large factory for wing development), could struggle in the near future.

The UK has long struggled with geographically imbalanced economic growth. Over most of the last decade, London and the South East dominated employment growth (specifically high-income jobs), capital investment, research and development funding and wealth generation. London saw a 49 per cent increase in jobs located in the city between 1996 and 2018, twice the average UK rate of 25 per cent.<sup>56</sup> Transport investment in London *'was around £6,600 per head between 2007/8 and 2018/19... three times higher than in the East Midlands (£1,880) or South West (£1,980) and nearly three (2.75) times the average in the rest of England (£2,400)'*.<sup>57</sup> R&D funding per head in London is twice the UK average.<sup>58</sup>

**Too often British public policy has embraced the notion that people will look and move for work uninhibited and wilfully. This is misguided as it does not reflect the realities that many workers face.**

This explains why the Social Mobility Commission said, *'it pays to 'move out to move up'*. The reality is that *'young people who moved region over a four-year period were 12 percentage points more likely to experience wage progression compared to those who stayed in their region'*.<sup>59</sup>

---

55 Norman, A. Which local authorities face the biggest immediate economic hit? (Centre for Progressive Policy, 16 April 2020)

56 Spencer, P. Regional Revolution: Rebalancing growth and opportunity in post-industrial Britain (September 2018)

57 UK Onward, Levelling Up (6 March 2020) [accessed via: [www.ukonward.com/new-onward-research-programme-levelling-up/](http://www.ukonward.com/new-onward-research-programme-levelling-up/)]

58 UK Onward, *Ibid*

59 Social Mobility Commission, State of the Nation 2018–19: Social Mobility in Great Britain (April 2019)

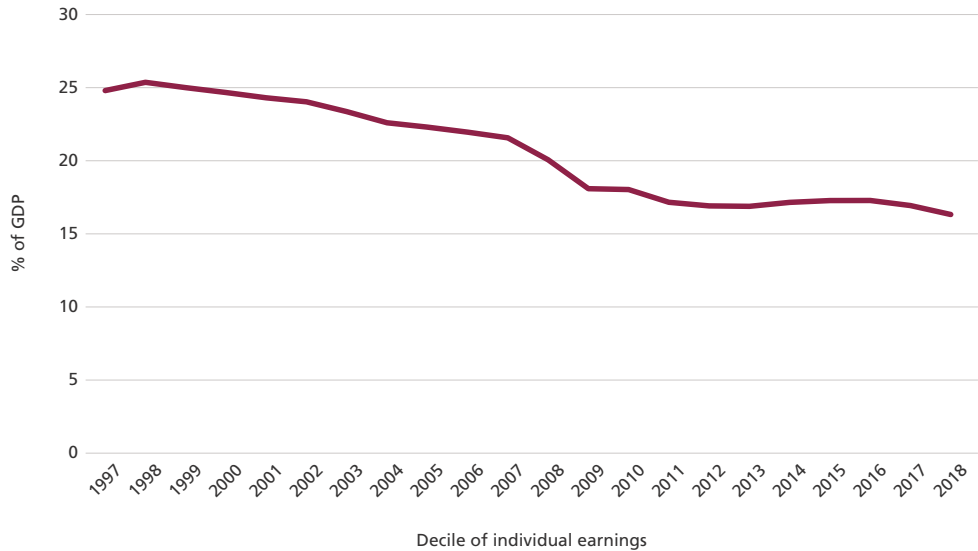


Despite this fact, too often British public policy has embraced the notion that people will look and move for work uninhibited and wilfully. This is misguided as it does not reflect the realities that many workers face. In fact, internal mobility has declined with people less likely today to move for work than they were two decades ago – each year, less than 1 per cent of the UK population moves for work.<sup>60</sup> Clearly people are not purely economically perfectly rational organisms that will move for the highest wage possible; they instead weigh up costs of moving such as family, friendships and cultural ties. These often outweigh the cost of unemployment.

A laid-off docker sums this situation up well in 1963 while being interviewed BBC Documentary *Waiting for Work*: 'Why don't I go down south, why should I go down south. This is my hometown, and this is where I'll live. This is where I've been brought up. And this is where I've been working since, I left school... I wouldn't think of taking the wife and the children down south because this is their home as well as mine... Going down south wouldn't solve anything as far as I'm concerned'.<sup>61</sup>

Britain has in recent years become too reliant on low-value service sector industries for employment growth. Capital investment, R&D, and technological development has been too low in an economy that needs to compete in international markets. Our lack of high-value industrial growth has led to weaker productivity growth.

Figure 9: Gross fixed capital formation (business investment) (per cent of GDP)

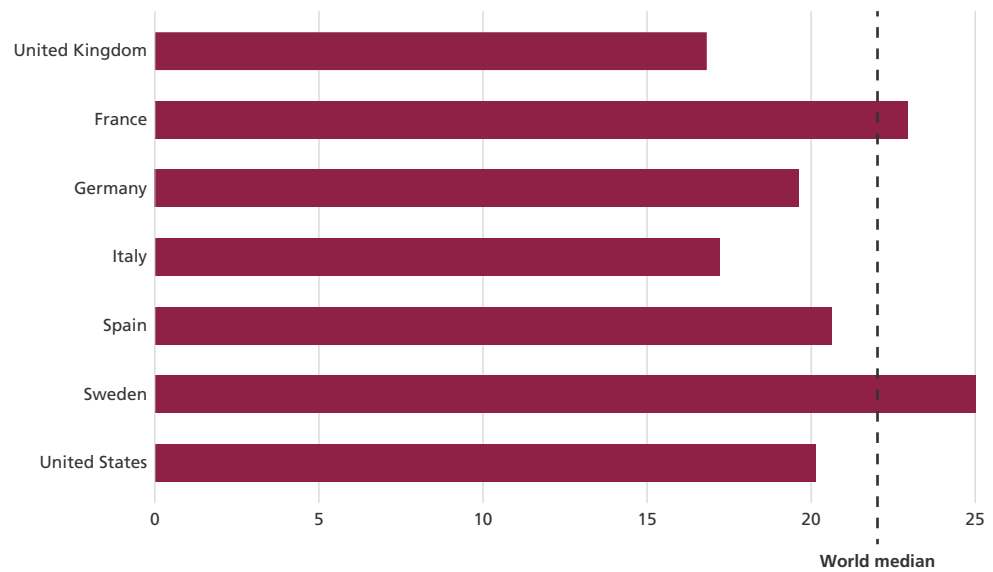


World Bank data shows the UK has a chronically low level of investment compared to similar economies. In 2017 the UK was in the bottom 20 per cent of countries for fixed capital investment (as a percentage of GDP).

60 Clarke, S. Get A Move On? The decline in regional job-to-job moves and its impact on productivity and pay (Resolution Foundation, August 2017)

61 [www.bbc.co.uk/iplayer/episode/p053r2q1/waiting-for-work](http://www.bbc.co.uk/iplayer/episode/p053r2q1/waiting-for-work)

Figure 10: Total investment, 2017 (per cent of GDP) (World Bank)



### Recommendation 6

The Annual Investment Allowance has been temporarily increased to £1 million between 1 January 2019 and 31 December 2020. This should be extended for the rest of the parliament (estimated 2024). Costs are estimated at £4 billion per year.<sup>62</sup>

The future prosperity of the British economy lies in achieving these two ends – a more levelled and balanced regional economic picture, and the cultivation of high-value companies in high growth industries. This is what the Prime Minister means when he talks about the ‘Levelling Up’ agenda, *‘[transforming] this country with better infrastructure, better education, better technology... taking us forward, unleashing the potential of the whole country, delivering opportunity across the entire nation’*.<sup>63</sup>

As pointed out in the previous chapter, the Government needs to address the weak labour market through the lens of both demand and supply side report. Where Chapter 2 looked at supporting the supply of labour, this chapter looks at stimulating demand for labour in the UK economy.

### Levelling up regions

The CSJ has long supported the place-based policymaking and the cultivation of economic clusters across the UK. In 2018, Regional Revolution called out Left Behind Towns and Cities that had struggled in the post-industrial era. These included places such as Doncaster, Wigan, Blackpool, Mansfield, Barnsley, Bradford, Plymouth, Stoke-on-Trent, Wakefield, and Dudley, and were considered ‘left behind’ because of their relatively large populations, a high percentage of jobs that were at risk of automation, and low levels

62 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/837774/191009\\_Bulletin\\_FINAL.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/837774/191009_Bulletin_FINAL.pdf)

63 Boris Johnson, PM statement in Downing Street: 13 December 2019 [accessed via: [www.gov.uk/government/speeches/pm-statement-in-downing-street-13-december-2019](http://www.gov.uk/government/speeches/pm-statement-in-downing-street-13-december-2019)]

of productivity and social mobility. The report concluded that a successful regional policy would boost both Left Behind Towns and Cities (like those above) as well as major growth centres such as Manchester, Birmingham, Leeds and Bristol. It outlined a complex policy blueprint that increased physical and digital connectivity between these places, reduced the cost of social breakdown in urban areas, devolved power to local authorities who were best placed to lead a local revolution, and created incentives for businesses to move out of London and the South East.

### **The Government can supercharge their 'levelling up agenda' by co-ordinating three major initiatives.**

There is little reason that the Government cannot pursue many of the recommendations made in 2018 even in spite of Covid-19's unique challenge. Indeed, the Government can supercharge its 'levelling up agenda' by co-ordinating three major initiatives:

- 1. Develop clusters of local competitive advantage through Enterprise Zones, Growth Zones and Catapult Centres.** Area Based Initiatives (ABIs) have proven to be successful in many developed economies. ABIs can combine tax cuts for local firms, wage subsidies, reduced planning regulations and other public expenditure on business-friendly amenities. An evidence review conducted by What Works Local Economic Growth found that of 38 ABIs, half of them showed a positive effect on employment, and 20 per cent of them had a mixed effect. Positive impacts were also stronger in more developed economies, and US Empowerment Zones (which prioritised businesses in low-income neighbourhoods for low-cost loans and employment credits) were considered the best at generating employment growth.<sup>64</sup> Most importantly, job growth in US Empowerment Zones benefited local low-income residents.<sup>65</sup> A 2013 NAO report found Enterprise Zones had helped create up to 18,000 new jobs.

The Government should set out a new round of Growth Deals. Growth Deals were created in 2013 and involved LEPs designing long term economic growth plans and getting Central Government to finance plans. A total of £7.3 billion in funding has been made available for Growth Deals so far. This funding agreement expires in 2021. Hence, new set of Growth Deals should prioritise cities in the North, Midlands, South West, Scotland, Northern Ireland and Wales, especially those that have been worst affected by Covid-19.

### **The Government should target new growth deals and cities that have been worst impacted by Covid-19.**

Finally, Catapult Centres have been a great innovative policy to foster high-value industry growth in small localities.

<sup>64</sup> <https://whatworksgrowth.org/policy-reviews/area-based-initiatives/evidence-review>

<sup>65</sup> [www.huduser.gov/portal/publications/econdev/ezec\\_execsum.html](http://www.huduser.gov/portal/publications/econdev/ezec_execsum.html)

### **Recommendation 7**

The Government should expand the number of Enterprise Zones (currently 24) and expand financial support for Local Authorities who create them in the local area. Specific focus should be on expanding the number of Enterprise Zones in key 'left behind' areas, including those instrumental to the 2019 General Election (e.g. Bassetlaw, Dudley and Bishop Auckland). MHCLG said in 2019 that £101 million was spent on Enterprise Zones, this report lowers forward spending by 50 per cent to just £50 million.

### **Recommendation 8**

The CSJ has long stood behind the idea of creating Free Ports. The post-Covid recovery package should champion free ports as manufacturing hubs across major seaside towns and cities such as Teesside, Portsmouth and Hull. The Government should look to have the first group of Free Ports designated by the end of this Parliament.

### **Recommendation 9**

The Government should set out plans to renew a raft of Growth Deals that expire in 2021. The Government should target new Growth Deals and cities that have been worst impacted by Covid-19. Growth Deals should prioritise steps to help businesses take on workers and improve long term economic advantage in an area (this would include funding for skills and training, physical infrastructure, SME finance and urban regeneration). Between 2016 and 2021, the Government committed £12 billion to Growth Deals. To keep up with that level of expenditure, the Government must commit a further £7.4 billion in funding for Growth Deals through to 2024.

### **Recommendation 10**

The Government should build two new Catapult Centres – one for Agriculture Technology with dual campuses in East Anglia and Cirencester and the other an Electric Battery Centre with dual campuses in Sunderland and Oxford. Funding (at similar levels to previous Catapults)<sup>66</sup> should be committed for the next five years.

- 2. Increase public investment in R&D.** In 2018 total UK R&D expenditure came to 1.71 per cent of GDP; up from 1.67 per cent in 2017. In nominal terms, expenditure on R&D has increased significantly over the last 10 years, from £17.6 billion in 2000 to £37.1 billion in 2020 (in constant prices). However, despite improvements, the Government is still some way off meeting its target of 2.4 per cent of GDP by 2022. Assuming growth rates at approximately 1 per cent for 2020/21 and 2021/22, UK total investment in R&D must grow to £46.9 billion by 2022, an increase of £9.2 billion from 2018. The Government should therefore set itself a 2-year challenge, to raise £10 billion from private and public sources for targeted R+D in the UK.

<sup>66</sup> Note: The Cell and Gene Therapy Catapult received £70.6 million over 5 years. See <https://ct.catapult.org.uk/news-media/general-news/uk-government-grants-catapult-network-%C2%A3780m-additional-funding>

### Recommendation 11

The Government needs to set up the 2022 £10 billion challenge. This involves searching for £5 billion in private funding for targeted R+D projects, which the Government would then match fund.

3. **Focus Shared Prosperity Funding on low-income communities.** The Government currently has three large funding pots to support regional growth – the new Towns Fund, Future High Streets Fund, and the proposed Shared Prosperity Fund. However, the use of funding from these three pots is opaque. Opacity and complexity is nothing new in this area; previously, the Government operated the Growing Places Fund, City Deal Funding, Local Growth Fund and National Productivity Investment Fund. The Government needs to get a grip on the different funding silos that exist in Government and better co-ordinate what money is available for low-income communities and how it can be used most effectively.

The Shared Prosperity Fund will be the newest and one of the largest funding pots dedicated to supporting regional growth in the UK, replacing European Structural Funds. The Government has committed to meeting obligations of the European Structural Funds, and so the Shared Prosperity Fund could be up to £2 billion in annual funding. This will be the first time the UK Government has direct and complete control over the policy priorities for this money. Between 2014 and 2020, just 1 per cent of the European Regional Development Fund was dedicated to combatting poverty. The European Social Fund focussed on inclusive labour markets and skills. The Shared Prosperity Fund is a great opportunity to focus on regional growth funding on reducing poverty in low-income communities that have been hit hardest by Covid-19.

### Recommendation 12

In 2017, the CSJ recommended the Government collapse all regional growth funding silos in to one funding pot. This remains a worthwhile step to increase transparency and accountability.

### Recommendation 13

Focus the Shared Prosperity Fund on supporting low-income communities that have been hardest hit by Covid-19. This should include tackling educational under attainment, crime, homelessness, drug abuse and family breakdown.

### Levelling up low pay

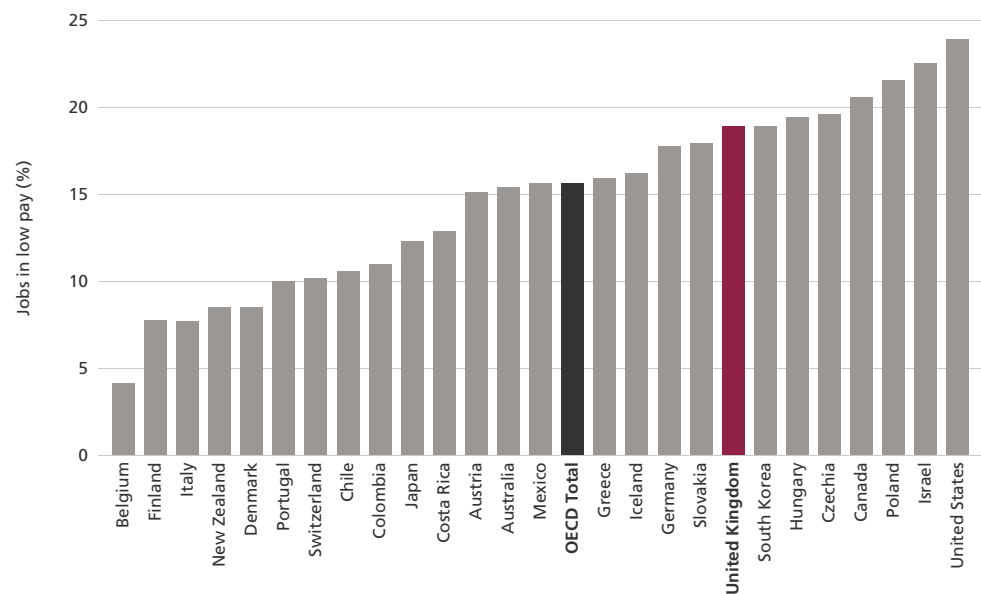
Britain has a high portion of its labour market stuck on low pay. The proportion of low paid jobs in the UK labour market (defined as a job that pays less than two-thirds of the median hourly wage) has fallen in recent years, from 21.3 per cent in 2010 to 16.2 per cent in 2019.<sup>67</sup> The number of hours offered to low paid workers has declined, meaning that approximately one-quarter of workers still walk away with low pay for one week. Women

67 ONS, Low and high pay in the UK: 2019 (29 October 2019)

are almost 50 per cent more likely to be low paid than men (although this gender skew is declining), people under the age of 24 make up 34 per cent of those in low paid, and while there is no pronounced regional skew in low pay, jobs in urban areas tend to pay better than those outside of urban centres. Finally, some industries have a high percentage of workers on low pay – hotels and restaurants (55 per cent), retail (31 per cent) and arts and recreation (30 per cent), incidentally all industries that have had to shut down during the Covid-19 crisis.

The UK still has a higher proportion of jobs in low pay compared to most other OECD countries. Belgium, Germany, and Denmark (countries similar in size and scale to the UK) all have a lower portion of low paid workers. In 2018, the UK had a higher incidence of low pay than the OECD average.

Figure 11: Low pay, percentage, 2018 (OECD)



There is also a severe problem of low levels of wage mobility in the UK. A 2017 report for the Social Mobility Commission found that over the space of a decade just one in six (17 per cent) of low paid workers in 2006 had permanently escaped low pay by 2016. Approximately one-half cycled inconsistently between decent pay and low pay, whereas one-quarter would remain stuck in low pay for the duration of the period.<sup>68</sup> As we pointed out, wage mobility is often linked to moving down to London for higher-paying employment opportunities which is normally a role carried out by young people just after leaving higher education. Considering approximately 5.3 million are currently in low pay today, just 900,000 will permanently escape low pay, and most of those will be people under the age of 30.

68 Social Mobility Commission, *The Great Escape? Low pay and progression in the UK's labour market* (October 2017)

Pay and in-work progression are important because they confer a sense of equality and egalitarianism in the workplace. The institution of work rests on the shared sense of equity and an appropriate return for hard work. Unless people feel a sense of opportunity in their job, many will opt for a life on benefits or become negged in black market activities and crime.

**A 2017 report for the Social Mobility Commission found that over the space of a decade just 17 per cent of low paid workers in 2006 had permanently escaped low pay by 2016... Pay and in-work progression is important because it confers a sense of equality and egalitarianism in the workplace.**

As Union membership has declined and wage bargaining has become obsolete in Britain, the Government has become the de facto champion of higher workers' wages. Minimum wage laws have helped prop up pay in recent years, pushing more workers over the low pay threshold. The Resolution Foundation pointed to the spill over effect of minimum wage laws, *'employers must increase the pay of those paid above the minimum wage if they are to preserve differentials between the lowest earners and those in more senior roles.'*<sup>69</sup> The UK has met its commitment to increasing minimum wages so that it is at the low pay threshold – two-thirds of the median hourly wage.<sup>70</sup> However, as the UK labour market enters a period of disruption and the economy faces a downturn, further increases of the minimum wage should be considered cautiously until the economy is in a period of sustained growth.

In the long term, levelling up low pay will require a growing economy, higher rates of productivity growth, new jobs in advanced and high skilled industries, and more high skilled jobs that pay above the average. Contrary to public opinion, the UK has actually experienced successive years of high skilled jobs growth. Figure 6 in Chapter 2 shows that between 2008 and 2018, high skilled jobs have grown by 10 per cent, whereas the number of low skilled jobs contracted by 2.5 per cent. However, the Government must continue efforts to build an economy that continues to produce high skilled jobs that pay well.

The Government needs to take radical steps to create an economic environment that produces good jobs in the near, medium and long term. The British economy and labour market were one of the strongest on record going in to the Covid-19 crisis. The crisis has had a major impact on the economy. The impact, however, has varied by sector.

69 Cominetti, N. Henehan, K. and Clarke, S. Low Pay Britain 2019 (Resolution Foundation, May 2019)

70 Low Pay Commission, The National Minimum Wage in 2020 (LPC, April 2020)

Figure 12: OBR estimations of sector by sector decline in economic activity and weighted GVA for Q2 2020 (OBR)<sup>71</sup>

Weight in whole economy value added	Pre-Covid	Impact of Covid	Post-Covid
Agriculture	0.7	0%	0.70
Mining, energy and water supply	3.4	-20%	2.72
Manufacturing	10.2	-55%	4.59
Construction	6.1	-70%	1.83
Wholesale, retail and motor trades	10.5	-50%	5.25
Transport and storage	4.2	-35%	2.73
Accommodation and food services	2.8	-85%	0.42
Information and communication	6.6	-45%	3.63
Financial and insurance services	7.2	-5%	6.84
Real estate	14.0	-20%	11.2
Professional, scientific and technical activities	7.6	-40%	4.56
Administrative and support activities	5.1	-40%	3.06
Public administration and defence	4.9	-20%	3.92
Education	5.8	-90%	0.58
Human health and social activities	7.5	-50%	11.25
Other services	3.5	-60%	1.4
<b>Whole economy</b>	<b>100.1</b>		<b>64.68</b>

Industries expected to survive the worst of the economic downturn include Finance, Human and Health and Social work, Agriculture, Mining, Energy and Water Supply and Transport and Storage. However, we can expect other industries to suffer considerably in the near term as a result of this public health crisis. These include Construction, Retail, Accommodation and Food Services, Manufacturing, and Arts and Entertainment. They are susceptible not only because of social distancing measures and the shutdown, but also because the intricacies of each of these markets suggest it will take time for normal business activity to resume.

### Box 1: Health and Social Care

The Covid-19 crisis proved our national dependence on the incredible work and sacrifice of health and social care workers. Contrary to rumour, there has been an appropriate increase in investment in the NHS since 2010. There has been a real term increase in the Department of Health and Social Care's budget from £117 billion in 2009/10 to £140 billion in 2019/20.<sup>72</sup> There are now 71,159 more professionally qualified staff in the NHS compared to May 2010, 23,666 more consultant doctors, and 15,969 more nurses. The doctors/population ratio (number of people in the UK per doctor) has decreased from 617 to 531, while the nurses/population ratio has ticked up marginally from 197 to 199.<sup>73</sup>

71 Accessed via: [https://cdn.obr.uk/Coronavirus\\_reference\\_scenario\\_commentary.pdf](https://cdn.obr.uk/Coronavirus_reference_scenario_commentary.pdf)

72 [www.kingsfund.org.uk/projects/nhs-in-a-nutshell/nhs-budget](http://www.kingsfund.org.uk/projects/nhs-in-a-nutshell/nhs-budget)

73 NHS Workforce Statistics – January 2020 [accessed via: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/january-2020>]



Social Care expenditure has remained stagnant in recent years. Kings Fund analysis of public expenditure data shows that ‘total expenditure on social care by councils was £22.2 billion’, an increase from £20.4 billion in 2014/15 but marginally lower than the 2009/10 figure of £22.4 billion.<sup>74</sup>

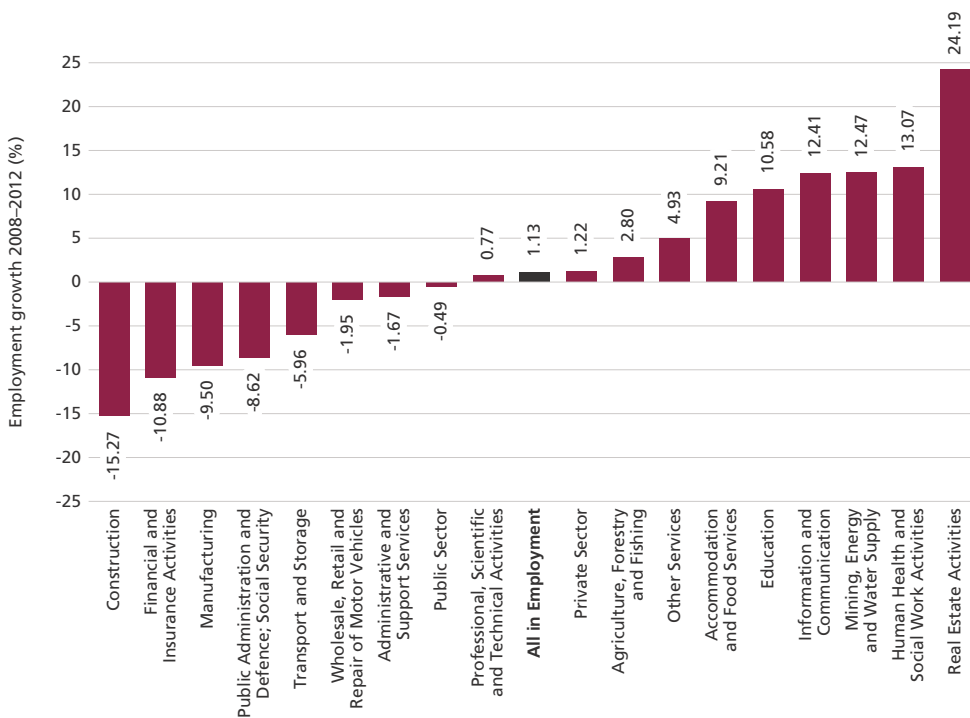
The demand for health and social care is only going to increase in the near and medium term. The UK has experienced falling birth rates and mortality rates for over a decade. Currently, 16.2 per cent of the UK population is above the age of 50, and 5.8 per cent is above the age of 60. By 2029 this is expected to increase to 19.8 per cent and 7.8 per cent respectively. By 2039 this could be 21.9 per cent and 9.9 per cent.<sup>75</sup>

With this in mind, it is unsurprising that it is forecast that the UK needs between 600,000 and 800,000 more social care workers by 2035.<sup>76</sup> This has nothing to say on the fact that many social care workers are working in insecure and low paid jobs, with little protection or consistency of day, all of which are inadvertently putting patients at risk.

### Recommendation 14

The Government must come forward with a long-term funding plan for social care in England and Wales. In the near term, it should put forward a Social Care support package for 200,000 new social care workers by 2023/24. CSJ estimate the cost to be £5.8billion (in 2019/20 prices).<sup>77</sup>

Figure 13: Employment growth by sector 2008–2012 (ONS)



74 [www.kingsfund.org.uk/publications/social-care-360/expenditure](http://www.kingsfund.org.uk/publications/social-care-360/expenditure)

75 Centre for Social Justice, Ageing Confidently (August 2019)

76 [www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/national-information/The-size-and-structure-of-the-adult-social-care-sector-and-workforce-in-England.aspx](http://www.skillsforcare.org.uk/adult-social-care-workforce-data/Workforce-intelligence/publications/national-information/The-size-and-structure-of-the-adult-social-care-sector-and-workforce-in-England.aspx)

77 Note: Calculation based on 200,000 social care workers earning Real Living Wage of £9.30 over 3 years (2021/22, 2022/23, 2023/24)

Figure 14: Rate of vacancies by sector (per 100,000 employees), March 2020 (ONS)



The Government needs to work with sectors to resume job creation. Figure 14 shows that going into the crisis, the Accommodation and Food industry had a high number of vacancies, as did Health and Social Care, ICT and Retail. These were likely seasonal jobs; however, the Government can work to support these industries going into the winter when the furlough scheme is wound down in the autumn.

The Government has historically supported sectors within the UK economy through Sector Deals. A report by the Commons Business, Energy and Industrial Strategy Committee concluded there was little in terms of analysis that proved their net contribution to the economy. However, they are popular with business; the CBI said in February that *'Industry has welcomed the explicit backing from government that Sector Deals provide. Government should continue to back the deals that have been agreed'*.<sup>78</sup> In February of this year, Business Minister Kwasi Kwarteng suggested an Oil and Gas Sector Deal was on the horizon.

78 CBI, All Together Now 0 Uniting he UK through a modern Industrial Strategy (February 2020)

### Recommendation 15

The Government should look to underwrite another round of sector deals. So far there have been 9 sector deals (Aerospace, AI, Automotive, Construction, Creative Industries, Life Sciences, Nuclear, Offshore Wind, and Rail). A new round of deals should focus on sectors that offer the best long-term option for significant job growth. New Sector Deals should offer support for firms training and skills development, R&D, regulatory reform and capital expenditure. We estimate that £1 billion should be made available for the Government to support industries through sector deals in the aftermath of Covid-19.

### Box 2: The Financial Sector and Banking System

The global financial crisis of 2007/08 seems a long time ago and remains a sore point for many people across the UK. The cost of bailing out banks, saving reckless bankers their jobs while causing a decade of fiscal retrenchment, for many of us seems too high. However, a well-capitalised banking system, resilient in economic downturns, is and always will be in the interest of the wider British economy and the British people. Banks and investment banks originate loans, distribute funds, connecting investors with entrepreneurs every day. The risky behaviour of financial institutions pre-2007 does not invalidate the need for a healthy financial system that ensures liquidity across the economy. In fact, the near-collapse of the UK's banking system and the impact it had on the UK economy for the subsequent decade proves the importance of sound capitalisation and prudential regulation of the UK financial system.

The Covid-19 crisis poses a potential risk to the UK banking system. Reports in early May suggested Britain's largest banks were exposed to £25 billion of loan losses.<sup>79</sup> The Bank of England announced that banks could be exposed to £80 billion in losses if the economy contracted by a third in Q2 2020.<sup>80</sup>

The Government should not be in any doubt that supporting the resilience of the financial system is in the interest of the most vulnerable in the UK. Without a healthy banking system, businesses cannot access credit, payment systems freeze, depositors risk losing money, and savings in pensions funds will likely lose value.

**The Government found through the crisis that scrapping (temporarily for the time being) certain regulations has kept economic activity going.**

The Government must embark on a detailed assessment of which sectors will struggle and which will remain strong in the aftermath of the Covid-19 crisis. From there, the Government can embark on a sector-by-sector approach to economic growth policy; where to loosen or strengthen regulations, and where to reduce taxes, or increase financial support. The aim is to minimise damage to the economy and lift economic output in the near term as much as possible, thereby limiting the negative impact of the public health crisis so far.

79 [www.thetimes.co.uk/edition/business/banks-face-25bn-loan-default-bill-djnxr2pzm](http://www.thetimes.co.uk/edition/business/banks-face-25bn-loan-default-bill-djnxr2pzm)

80 [www.thetimes.co.uk/edition/business/sharp-slowdown-could-leave-lenders-with-losses-of-80bn-says-bank-of-england-fv7llthsq](http://www.thetimes.co.uk/edition/business/sharp-slowdown-could-leave-lenders-with-losses-of-80bn-says-bank-of-england-fv7llthsq)

Regulatory changes should be part of this process. The Government found through the crisis that scrapping (temporarily for the time being) certain regulations has kept economic activity going. For instance, 'allowing pubs and restaurants to switch from serving food in-house to takeaway delivery. A number of competition laws have been relaxed to allow retailers to pool staff, share distribution depots and delivery vans, and compare data on stock levels. The 5p tax on plastic bags has been waived. And permitted daily driving hours have been increased for deliveries of food, household essentials and pharmaceutical products'.<sup>81</sup>

We propose the Government complete this comprehensive review of UK industry, sector-by-sector, focussing on seven areas below and presenting findings to the House of Commons.

1. **Access to finance:** Is the sector well capitalised with access to the private sector and affordable finance.
2. **Support for SMEs:** Do SMEs in this sector have a competitive chance of surviving this downturn.
3. **Costs of production:** (excluding human capital) – What are the main costs of production and doing business, how can these be lowered.
4. **Skills:** Does this sector have access to skilled workers.
5. **Supply chain:** Are there any foreseeable disruptions to the supply chain.
6. **Burdensome regulations:** Are there any burdensome regulations that inhibit businesses doing business in this sector.
7. **Global competitive advantage:** Does this UK sector have a global competitive advantage.

### Recommendation 16

The Government should launch a review of the UK industrial strategy, with a plan to publish in November 2022 (5 years on). The review should focus on boosting UK sectors with global competitive advantage, reducing burdensome regulations, improving supply chains, improving access to skilled human capital, reducing costs of production for UK businesses, supporting SMEs and ensuring adequate access to finance for all UK businesses.

## Policy recommendations

### Recommendation 1

The Government is right to maintain the increased generosity of UC in the long term. These levels of UC should be maintained in the future.

81 Elliot, M. Six ways Covid-19 will change business, politics and the economy [accessed via: [www.shorecap.co.uk/posts/view/six-ways-covid-19-will-change-business-politics-and-the-economy](http://www.shorecap.co.uk/posts/view/six-ways-covid-19-will-change-business-politics-and-the-economy)]

## Recommendation 2

The Benefit Cap constrains any nominal benefit to some households from increases in the LHA rate or standard allowance. HM Treasury and DWP should consider phased and incremental increases to the Benefit Cap back to where it was in 2015/16.

## Recommendation 3

Until JCP and Work Coaches have the capacity to carry out appointments for the entire claimant population, DWP should extend this temporary relaxation of regulations around UC claims until 2021/22.

## Recommendation 4

The Work and Health Programme (WHP) needs to be amended so that it is available to all people who are out of work. Currently, eligibility is reserved for people with a disability (with exceptions for other groups such as care leavers, refugees, victims of domestic violence and others). The WHP should specifically target anyone considered high risk above (the disabled, young people and the low skilled).

## Recommendation 5

The Chancellor of the Exchequer was right to increase the size of the Work and Health Programme in his July economic statement. This report calls for him to go further on the detail and outline a significant increase in funding for the WHP. Currently, the WHP has been apportioned £130 million per year for 2019/20. HM Treasury should consider substantial increases in the budget for the WHP for the duration that the programme plans to run. With the almost tripling of the number of unemployed people in the UK so far, we would expect a similar multiple increase in funding to £390 million per year for 2021/22, 2022/23, and 2023/24.

## Recommendation 6

The Annual Investment Allowance has been temporarily increased to £1 million between 1 January 2019 and 31 December 2020. This should be extended for the rest of the parliament (estimated 2024). Costs are estimated at £4 billion per year.

## Recommendation 7

The Government should expand the number of Enterprise Zones (currently 24) and expand financial support for Local Authorities who create them in the local area. Specific focus should be on expanding the number of Enterprise Zones in 'red wall seats' that returned Conservative MPs at the 2019 General Election (e.g. Bassetlaw, Dudley and Bishop Auckland).

---

### **Recommendation 8**

The CSJ has long stood behind the idea of creating Free Ports. The post-Covid recovery package should champion free ports as manufacturing hubs across major seaside towns and cities such as Teesside, Portsmouth and Hull. The Government should look to have the first group of Free Ports designated by the end of this Parliament.

---

---

### **Recommendation 9**

The Government should set out plans to renew a raft of Growth Deals that expire in 2021. The Government should target new Growth Deals and cities that have been worst impacted by Covid-19. Growth Deals should prioritise steps to help businesses take on workers and improve long term economic advantage in an area (this would include funding for skills and training, physical infrastructure, SME finance and urban regeneration).

---

---

### **Recommendation 10**

The Government should build two new Catapult Centres – one for Agriculture Technology with dual campuses in East Anglia and Cirencester and the other an Electric Battery Centre with dual campuses in Sunderland and Oxford. Funding (at similar levels to previous Catapults) should be committed for the next five years.

---

---

### **Recommendation 11**

The Government needs to set up the 2022 £10 billion challenge. This involves searching for £5 billion in private funding for targeted R+D projects, which the Government would then match fund.

---

---

### **Recommendation 12**

In 2017, the CSJ recommended the Government collapse all regional growth funding silos into one funding pot. This remains a worthwhile step to increase transparency and accountability.

---

---

### **Recommendation 13**

Focus the Shared Prosperity Fund on supporting low-income communities that have been hardest hit by Covid-19. This should include tackling educational under attainment, crime, homelessness, drug abuse and family breakdown.

---

### Recommendation 14

The Government must come forward with a long-term funding plan for social care in England and Wales. In the near term, it should put forward a Social Care support package for 200,000 new social care workers by 2023/24. CSJ estimate the cost to be £5.8billion (in 2019/20 prices).

### Recommendation 15

The Government should look to underwrite another round of sector deals. So far, there have been nine sector deals (Aerospace, AI, Automotive, Construction, Creative Industries, Life Sciences, Nuclear, Offshore Wind, and Rail). A new round of deals should focus on sectors that offer the best long-term option for significant job growth. New Sector Deals should offer support for firms training and skills development, R&D, regulatory reform and capital expenditure. We estimate that £1 billion should be made available for the Government to support industries through sector deals in the aftermath of Covid-19.

### Recommendation 16

The Government should launch a review of the UK industrial strategy, with a plan to publish in November 2022 (5 years on). The review should focus on boosting UK sectors with global competitive advantage, reducing burdensome regulations, improving supply chains, improving access to skilled human capital, reducing costs of production for UK businesses, supporting SMEs, and ensuring adequate access to finance for all UK businesses.

## Policy costings

Policy	Department	Cost (2020–2024)
Increasing the benefit cap	DWP	£528m
Increasing Work and Health Programme Funding	DWP	£1.2bn
Maintain AIA at £1 million	HMRC	£16bn
10 New Enterprise Zones	BEIS	£50m
UK Free Ports	BEIS/DFIT	£2.5bn
3 Growth Deals	BEIS	£7.2bn
2 Catapult Centres	BEIS	£141.2m
Increase R+D funding	BEIS/HMT/DIT	£5bn
200,000 social care workers by 2024	DHSC	£5.8bn
New Sector Deals	BEIS	£1bn
<b>TOTAL</b>		<b>£39.5bn</b>

PART TWO

# The social deal: support for the vulnerable

**The Centre for Social Justice would like to thank all those who have contributed to this document. While their contribution does not mean they agree with every recommendation, none of this would have been possible without them.**



## part two | policy one

# Put families at the heart of our vision for the recovery

### With thanks to:

Dr Eli Gardner, Director, Kids Matter  
Baroness Eaton, House of Lords  
Sally-Ann Hart MP, Member of Parliament for Hastings and Rye

## 1.1 It's time to offer greater support for families and parents

The importance of family life has been reinforced by our recent experience of closing schools during the period of lockdown, and concerns over the welfare and education of disadvantaged pupils. If we want to tackle future poverty and improve outcomes for children growing up in poorer areas, we need to look beyond the school gates for the answer and to the home, where children will spend the vast majority of their time, and where their future behaviour will be shaped.

Britain is a country where the experience of family breakdown in all its forms falls disproportionately on poorer children. Family breakdown is one of the many disadvantages experienced by a child growing up in poverty. Half of all children are no longer living with both their parents by the time they sit their GCSEs. However, for children in our poorest communities, the same proportion have already seen their parents split up by the time they start primary school.<sup>82</sup>

It is something of a political myth that politicians can't talk about family without condemnation. The political paralysis surrounding matters concerning the family often stems from a fear of sounding judgemental or moralising, while others may be concerned that interfering in something so personal to individuals is not the role of government.

---

82 CSI, *The Forgotten Role of Families*, pg 3

Attitudinal polling contained within the CSJ's 2019 report, *Why Family Matters*, reveals that five in six (83 per cent) British adults think that 'stronger families are important in addressing Britain's social problems.'<sup>83</sup> In a separate opinion poll commissioned by the CSJ in 2017, three-quarters of the public (76 per cent) supported public money being spent on strengthening families and improving parenting in order to prevent social problems?<sup>84</sup>

Survey data from the Office for National Statistics (ONS) suggests the period of lockdown has had a 'negative impact' on family relationships for about 1 in 4 adults.<sup>85</sup> An expected peak in unemployment in the coming months will compound these pressures and the likelihood of family breakdown. Family lawyers tell a similar story with inboxes overflowing with inquiries (up by 42 per cent during lockdown) from couples looking for advice on separation.<sup>86</sup>

Ensuring the pandemic does not leave a lasting social legacy will be an important part of our social recovery. If supporting families is going to be part of our social recovery, we need to find our voice on families. Family is too often overlooked in policymaking despite previous governments introducing a 'family test' to assess policy for its impact on family structure and function. CSJ polling has consistently demonstrated that the public is supportive of politicians discussing family. If we're going to tackle the 'root causes' of many of our social problems we need to remove the political stigma around family.

## 1.2 We must be led by the science on family stability

Much as the experience of family breakdown falls unevenly on poorer children; marriage is also becoming a 'middle-class perk' for children born to more affluent households. Among mothers with children under five, 87 per cent of those in higher income groups are married compared to just 24 per cent of those in lower-income groups,<sup>87</sup> a marriage gap of 63 per cent.

If we want to support family stability, we need to be 'led by the science' and recognise the role of marriage as the most stable family form. Unmarried parents make up only 19 per cent of all couples with dependent children, yet account for half of all family breakdown.<sup>88</sup> Separation is acutely focused on non-married couples, who account for two-thirds of family breakdown.<sup>89</sup>

---

83 CSJ, *Why Family Matters*, pg 51 [accessed via: [centreforsocialjustice.org.uk/library/why-family-matters-comprehensive-analysis-of-the-consequences-of-family-breakdown](https://centreforsocialjustice.org.uk/library/why-family-matters-comprehensive-analysis-of-the-consequences-of-family-breakdown)]

84 [www.centreforsocialjustice.org.uk/core/wp-content/uploads/2017/10/Family\\_Polling\\_Data.pdf](https://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2017/10/Family_Polling_Data.pdf)

85 Coronavirus and the social impacts on Great Britain: 16 April 2020, [accessed via: [ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandthesocialimpactsongreatbritain/16april2020](https://ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandthesocialimpactsongreatbritain/16april2020)]

86 Mail Online, *Divorce lawyers reveal inquiries from clashing couples have risen by 42 per cent during coronavirus lockdown* [accessed via: [dailymail.co.uk/news/article-8381049/Divorce-lawyers-reveal-inquiries-clashing-couples-risen-42.html](https://www.dailymail.co.uk/news/article-8381049/Divorce-lawyers-reveal-inquiries-clashing-couples-risen-42.html)], 2 June 2020

87 Benson, H & Prof. McKay, S: Marriage Foundation, *Middle class shun marriage*, August 2015, pg 2 [accessed via: <https://marriagefoundation.org.uk/wp-content/uploads/2016/06/pdf-06.pdf>]

88 Marriage Foundation, *Marriage Really Works* [accessed via: [https://marriagefoundation.org.uk/wp-content/uploads/2020/03/marriage\\_foundation\\_leaflet.pdf](https://marriagefoundation.org.uk/wp-content/uploads/2020/03/marriage_foundation_leaflet.pdf)]

89 Benson, H & Prof. McKay, S: Marriage Foundation, *Top Ten Key Facts on Marriage* [accessed via: [marriagefoundation.org.uk/top-ten-key-facts-on-marriage](https://marriagefoundation.org.uk/top-ten-key-facts-on-marriage)]

Contrary to popular belief, high conflict relationships are not the most common reason for divorce. In fact, 60 per cent of couples are both happy and not quarrelling a year prior to splitting, compared to just 9 per cent of couples who have a high-conflict relationship. In fact, more than one-third of husbands and wives cite 'drifting apart' as the reason they divorced.<sup>90</sup>

Recognising the importance of family stability (and that marriage is most likely to lead to this stability) has major social policy consequences.

Promoting marriage and family stability shouldn't stop us from understanding the needs of single-parent families and taking action in this area, too. Too often our political discourse in this area falls into an unhelpful either/or discussion. Later in this report, we look at the role of 'family hubs' in supporting families and their role in supporting separated families. Government policy can accommodate support for separated families and understand the important role of intentionality found in marriage.

### 1.3 We need to find our voice on supporting families

In most other major areas of government policy, particularly education and health, prevention is seen as a priority. This should equally be true for the breakdown of families. We need to address our reluctance to talk about the role of family in policy making and government spending if we are to address 'the root causes of poverty'.

#### 1.3.1 Family breakdown often leads into poverty

Recent research into the characteristics of poverty has shown that on average couple families with children have a 1 in 4 chance of living in poverty, compared to lone parents where this figure is more than half. The Department for Work and Pensions (DWP) has calculated that an extra adult in the household raises the chances of leaving poverty by around 25 per cent.<sup>91</sup>

When couples split up, families move from one to two households with a strong correlation to poverty, where six out of ten lone parents are supported by the state<sup>92</sup> compared to one out of ten couple parents.<sup>93</sup>

All these issues are major challenges to governments and make significant demands on public spending. The creation of new welfare consuming households has an enormous price tag. More than £24 billion is added to the welfare bill every year to support new households who consume welfare, including an extra £6 billion of additional Housing Benefit.<sup>94</sup>

<sup>90</sup> Ibid

<sup>91</sup> The Department of Work and Pensions (DWP), *An evidence review of the drivers of child poverty for families in poverty now and for poor children growing up to be poor adults*, pg 19 [accessed via: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/285389/Cm\\_8781\\_Child\\_Poverty\\_Evidence\\_Review\\_Print.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/285389/Cm_8781_Child_Poverty_Evidence_Review_Print.pdf)]

<sup>92</sup> Marriage Foundation, *UK Among highest family breakdown in Europe* [accessed via: [marriagefoundation.org.uk/uk-highest-in-europe/](http://marriagefoundation.org.uk/uk-highest-in-europe/)]

<sup>93</sup> Ibid

<sup>94</sup> Cost of Family Breakdown, 30 January 2018 [accessed via: [marriagefoundation.org.uk/research/cost-of-family-breakdown/](http://marriagefoundation.org.uk/research/cost-of-family-breakdown/)]

### 1.3.2 Family breakdown is also more likely to lead to future poverty

The impact on educational outcomes is equally as significant. A child's educational attainment will have an impact on their adult earnings and probability of employment and so the risk that their own children will be in poverty in future. If work is the best route out of poverty, education is the best way to escape future poverty for children growing up in poor households.<sup>95</sup>

Much of the recent political debate has focused on helping children from poorer backgrounds to 'catch up' with their better off-peers. Addressing the needs of families will be fundamental to these efforts if they are to have a meaningful longer-term impact. Around 40 per cent of the attainment gap at the end of formal schooling is already visible before children start primary school.<sup>96</sup>

Evidence on the drivers of the attainment gap shows that familial relationships and parenting styles are a strong influence on educational attainment.<sup>97</sup> A typical child between the ages of four and 16 will spend only 15 per cent of their time at school, with 85 per cent of their time spent outside school (split almost evenly between time asleep and awake but not at school).<sup>98</sup> Evidence collated by the Education Policy Institute (EPI) shows that what happens in the home is '*crucial for the development of skills that determine school attainment.*'<sup>99</sup>

## 1.4 Investing in the Reducing Parental Conflict programme

The consequences of confinement, loss of income and the loss of childcare will likely have a serious impact on family relationships with increased family separation and an increase in the number of families in relationship distress. One expert told the CSJ that the lockdown will have a 'long tail' for family relationships.

Relationship distress is almost more than twice as prevalent in workless couple-parent families compared to when both parents are working.<sup>100</sup> The prospect of a significant increase in unemployment will, in turn, affect the likelihood of family relationships and separation. Research commissioned by the DWP has demonstrated that family conflict and separation have a direct impact on childhood outcomes in both educational attainment and future employment.<sup>101</sup> I think this is a bit bold, the Early Intervention Foundation that is referenced in the footnote, only actually states that these factors 'can' have an impact.

---

95 DWP, *An evidence review of the drivers of child poverty for families in poverty now and for poor children growing up to be poor adults*, pg 8 [accessed via: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/285389/Cm\\_8781\\_Child\\_Poverty\\_Evidence\\_Review\\_Print.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/285389/Cm_8781_Child_Poverty_Evidence_Review_Print.pdf)]

96 [www.centreforsocialjustice.org.uk/core/wp-content/uploads/2018/11/CSJJ6068-Childcare-Report-181127.pdf](http://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2018/11/CSJJ6068-Childcare-Report-181127.pdf), pg 14

97 <https://epi.org.uk/wp-content/uploads/2018/07/EPI-Annual-Report-2018-Lit-review.pdf> p.8

98 CSJ calculation: There are approximately 6.5 hours in a school day. So, 32.5 hours at school per week (6.5 x 5). There are 13 weeks of school holiday per year, leaving 39 weeks at school. 32.5 x 39 = 1,268 hours at school per year. This is out of a total 8,760 hours per year. So, every year, a child spends 1,268 hours at school, and 7,492 hours at home. For a child schooled between 4–16 years old, this means they spend 12 x 1,268 = 15,216 hours at school, and 12 x 7,492 = 89,904 hours at home. Total hours in 12 years = 105,120. (15,216 / 105,120) x 100 = 14.5 per cent at school. And, (89,904 / 105,120) x 100 = 85.5 per cent at home. This means that a child, between the ages of 4–16, spends 14.5 per cent of their time at school, and 85.5 per cent of their time at home.

99 <https://epi.org.uk/wp-content/uploads/2018/07/EPI-Annual-Report-2018-Lit-review.pdf> p.8

100 Parental conflict indicator 2011/12 to 2017/2018, 18 March 2020 [accessed via: [gov.uk/government/publications/parental-conflict-indicator-201112-to-201718/parental-conflict-indicator-201112-to-201718](http://gov.uk/government/publications/parental-conflict-indicator-201112-to-201718/parental-conflict-indicator-201112-to-201718)]

101 Early Intervention Foundation [accessed via: <https://reducingparentalconflict.eif.org.uk/>]

The DWP launched the Reducing Parental Conflict (RPC) programme in 2017 with up to £39 million over four years to fund projects delivered by local authorities. Of the 148 top-tier local authorities in England, 145 have accessed strategic leadership grants to assess their ability to deliver RPC programmes and embed the work within existing services.

Alongside local programmes, the department has set aside £2.7 million through a Reducing Parental Conflict Challenge Fund to deliver digital family support work and understand ‘what works’ for online family support. The CSJ has previously recommended the delivery of an ‘online family hub’ with participation ‘nudged’ through the payment of family benefits.

The work of the RPC programme will be assessed by IFF Research and the Tavistock Institute with findings from a national evaluation to be published in 2022.

Many contributors to this chapter pointed out that family policy is often best delivered away from the glare of Westminster, with charities and local authorities taking the lead without any of the controversies often associated with ‘family’ in our political discourse.

Local authorities such as Rochdale Borough Council with their ‘relationships revolution’ have led the way in embedding family support in services and talking about this issue with enthusiasm. A new beginning for family policy should focus on the role of local authorities in delivering services and support with less rhetoric from national political figures and more action closer to the families that need support.

New money to support a second wave RPC programme should be focused on supporting some of the outstanding family and parenting charities that step in to support local families. The focus of scaling ‘what works’ should be extended to support a wider range of small charities, often with very localised footprints.

There are hundreds of smaller charities working with parents and families across the country that could be scaled up to step in and support families through new funding for RPC programmes.

Recent answers to Parliamentary Questions on the RPC programme indicate it is due to end a year before a national evaluation of its effectiveness.<sup>102</sup>

Proposals from the CSJ would help to scale these family support programmes and build on this programme through an £85 million fund taken from the declining uptake of the Married Couple’s Allowance (MCA).

---

102 HL4629 [accessed via: [www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Lords/2020-05-18/HL4629/](http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Lords/2020-05-18/HL4629/)] Written question asked by Baroness Eaton on 18 May 2020 and answered by Baroness Steadman-Scott in the House of Lords

## 1.5 How to support families and parents better

### 1.5.1 Use birth registration as a gateway to family support

Governments could look at reforming the process of birth registration to provide early intervention relationship and parenting support at a ‘pinch point’ in couple relationships.

In 2017 there were approximately 285,000 first time births in England and Wales,<sup>103</sup> and almost all couples are present to register the birth of their children.<sup>104</sup> Birth registration is a highly significant ‘touchpoint’ with the state both in terms of near universality<sup>105</sup> (through law) and its potential for early identification of families requiring support. This policy proposal recommends transforming birth registration, moving from an administrative process to a more structured support session offered to all families (possibly in a children’s centre or similar community venue):

We would recommend extending the new birth registration through invitation to all new parents, regardless of family type or the process by which they became a new parent, to ensure that a new birth registration ‘conversation’ is a universal (and inclusive) offer to understand their needs and to link to support services.

In addition to a new structured conversation, the Government could develop a ‘Relationship MOT’ offered to new parents following the registration conversation. This could help to normalise and increase uptake of relationship support at the point at which couple (and family) relationships are likely to come under the most strain. Funds could be reserved for additional support (particularly for low-income couples).

### 1.5.2 Scale up a family support offer for low-income couples by using savings from the Married Couple’s Allowance

The CSJ has identified circa£220 million (over three years) from savings contained within the MCA. This money should be ring-fenced to scale relationship support or an extension of the RPC programme .

This money has been found through the declining uptake of the MCA and would incur no new expenditure or loss of benefits to existing claimants.

Due to the age-limited nature of MCA,<sup>106</sup> government expenditure on this tax relief is declining rapidly and is likely to disappear altogether within the next decade. As the number of eligible couples decreases, so too will expenditure on the MCA with this tax relief likely to disappear altogether within a decade. Using the cost of the reliefs from the last five years, we have projected the likely costs over the next three years and calculated the amount saved as these costs decrease.

---

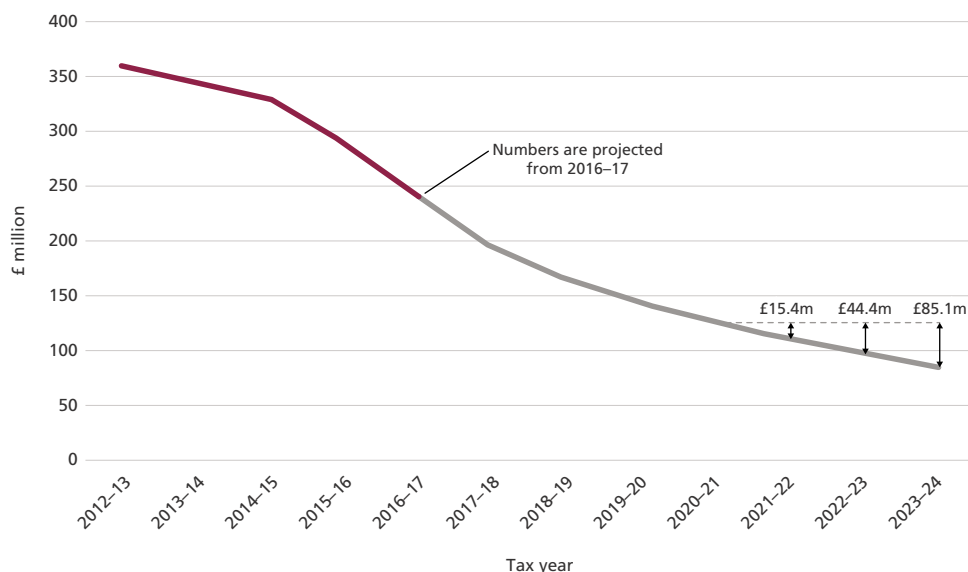
103 ONS: [www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/bulletins/birthcharacteristicsinenglandandwales/2017#:~:text=The%20average%20age%20of%20first,or%20subsequent%20births%20in%202017](http://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/bulletins/birthcharacteristicsinenglandandwales/2017#:~:text=The%20average%20age%20of%20first,or%20subsequent%20births%20in%202017) 679, 106 live births of which 42 per cent were first time births

104 In England and Wales, 96.5 per cent of parents comply with the 42-day registration rule; the 3.5 per cent – or more than 25,000 people – who do not could face a £200 fine. The Independent, *220 million children who don’t exist*, 28 July 2013 [accessed via: [www.independent.co.uk/news/world/politics/220-million-children-who-dont-exist-a-birth-certificate-is-a-passport-to-a-better-life-so-why-cant-8735046.html](http://www.independent.co.uk/news/world/politics/220-million-children-who-dont-exist-a-birth-certificate-is-a-passport-to-a-better-life-so-why-cant-8735046.html)]

105 Ibid

106 Married Couple’s Allowance [accessed via: [gov.uk/married-couples-allowance](http://gov.uk/married-couples-allowance)]

Figure 15: Married Couple’s Allowance cost to the Treasury



The CSJ recommends maintaining expenditure on the MCA at 2019/20 levels (estimated at £127.18 million) for the three-year cycle of the spending review and re-allocating the difference between this level and the amount claimed over this period. The above chart projects a decreasing drawdown on the budget for the MCA over a three-year period. Using this calculation, it is anticipated that this fund would provide £220 million over three years.

The Government should commit to ensuring savings from the decreasing drawdown on MCA is used to fund the Government’s RPC work at a greater scale. This recommendation would be cost-neutral to the Treasury, and existing claimants would continue to receive MCA payments.

### 1.5.3 Introduce parental support as a condition of child benefit

The Government currently spends approximately £12 billion on child benefit<sup>107</sup> and almost £5.4 billion<sup>108</sup> on childcare support to parents. This money is provided without any requirement to improve parenting skills or engage in relationship support activities.

A simple ‘quick-fix’ would be to look at how people access payments or apply for childcare payments through an online ‘family hub’ (an innovative way to deliver on the manifesto commitment to introduce ‘family hubs’)<sup>109</sup> with digital relationship and parenting support included as a pre-condition of receipt. This allows a significant level of personalised targeting of advice and support without parents losing out on payments.

107 An OBR guide to welfare spending, 2017

108 Farquharson, Christine, *Early Education and childcare spending*, pg 2 [accessed via [ifs.org.uk/BN258-Early-education-and-childcare-spending-pdf](https://ifs.org.uk/BN258-Early-education-and-childcare-spending-pdf)]

109 The MJ, *Family Hubs — a manifesto promise that could be the future of public services*, 6 January 2020 [accessed via: [www.themj.co.uk/Family-Hubs--a-manifesto-promise-that-could-be-the-future-of-public-services/216452](https://www.themj.co.uk/Family-Hubs--a-manifesto-promise-that-could-be-the-future-of-public-services/216452)]

The response to the Covid-19 pandemic and the resulting recession should be to support families as part of the solution, and not simply to fall back on workarounds. The lockdown and consequences of the pandemic will have a long tail for our poorest areas and delivering a social strategy alongside efforts to support the economy is equally as important.

This chapter presents policies which could be delivered, without significant extra spending and with public support, as part of a wider social strategy for the recovery. Families should be part of this solution, every bit as other measures if we are to address successful outcomes for children growing up in poor households and reduce poverty levels in the years ahead.

## Our recommendations

### 1. Use birth registration as a gateway to family support

Governments could look at reforming the process of birth registration to provide early intervention relationship and parenting support at a 'pinch point' in couple relationships.

### 2. Scale-up a family support offer for low-income couples using savings from the Married Couple's Allowance

The CSJ has identified circa £85.1 million (over three years) from savings contained within the MCA. This money should be ring-fenced to scale relationship support or to extend the Reducing Parental Conflict programme.

### 3. Introduce parental support as a condition of child benefit

The Government currently spends £16 billion on child benefit and childcare support. A simple 'quick-fix' would be to look at how people who access online tax free childcare payments could do so through an online 'family hub' with digital relationship and parenting support included as a pre-condition of receipt.

## Conclusion

If we are going to strengthen relationships, improve parenting and reduce the inequalities associated with family breakdown we need politicians who are willing to talk about this issue and discover a way of talking confidently about family breakdown and its consequences. In our 2019 *Why Family Matters* report<sup>110</sup> the CSJ presented some of the most comprehensive evidence yet to suggest that our failure to address family breakdown is having a substantial impact on the lived experience of poverty in individuals' lives. We need to address our reluctance to talk about the role of family in policy making and government spending if we are to address 'the root causes of poverty'.

Strengthening families requires paying attention not only to relationship quality but also to relationship stability. If relationships within a family are highly conflicted or violent, it may be better for one of the parents to leave. However, it should not be forgotten that

---

110 [www.centreforsocialjustice.org.uk/core/wp-content/uploads/2019/04/CSJJ6900-Family-Report-190405-WEB.pdf](http://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2019/04/CSJJ6900-Family-Report-190405-WEB.pdf)



separation from a parent is also an adverse childhood experience. Family breakdown usually means losing daily contact with one person who matters greatly to a child who may not understand why it has happened and will often blame themselves.

No government can solve this kind of complex and sensitive problem single-handedly, that is why a greater focus should be given to supporting local authorities to deliver family policies, far away from some of the more hostile debates in Westminster. This chapter provides a series of practical next steps, which could be adopted by ministers in the coming months to change our approach to family and begin to deliver a more ambitious and comprehensive family policy.

## part two | policy two

# Rebuild our society around strong local communities

### With thanks to:

Danny Kruger MP, Member of Parliament for Devizes  
The Rt Revd Dr Graham Tomlin, Bishop of Kensington  
Prof Donna Hall CBE, Chair, New Local Government Network  
Nicholas Boys Smith, Founding Director, Create Street  
Catherine Ind, St James's Place

We would like to sincerely thank the sponsors of this chapter for their generous contribution: St James's Place Wealth Management



## 2.1 Let's take advantage of our fresh perspective on community

The Covid-19 pandemic has opened up a new conversation about what it means to be part of a community. During lockdown, many in Britain discovered a sense of local solidarity – or, 'we' – as they forged new relationships with near neighbours in a fight against a common enemy.

This new appreciation of local community is a welcome 'outcome' of the crisis. Analysis from the Office for National Statistics (ONS) tells us that relational indicators are much more significant for life satisfaction than income. Our wellbeing is higher when we feel we belong to and can make a meaningful contribution to our community.

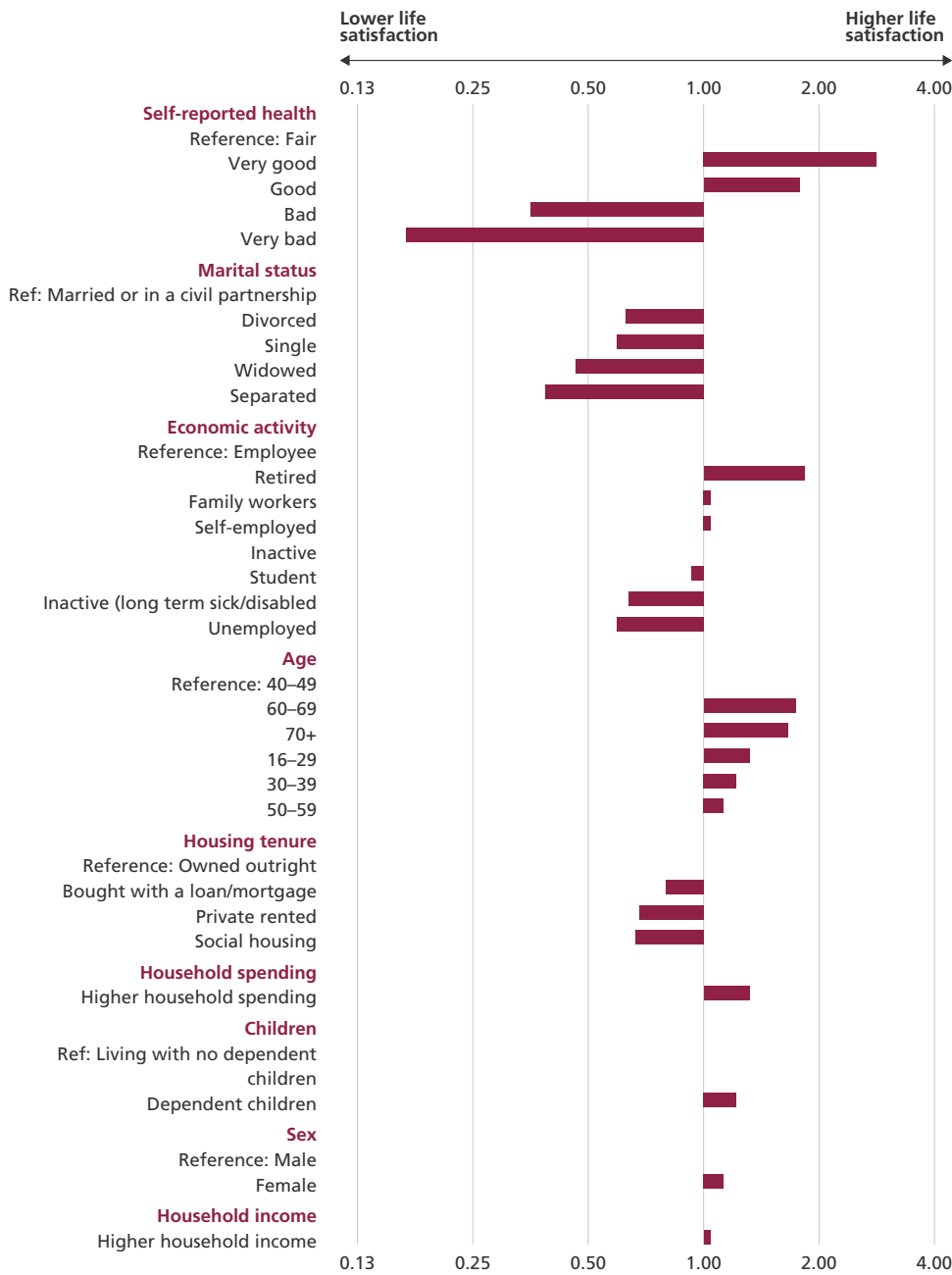
The crisis has brought with it a spike in voluntary social action at a local and national level. We now have an opportunity and a responsibility to make sure this wave does not peter out as and when the virus is brought under control.

Before Covid-19, normal life for many working people was characterised by long commutes and the uberisation of the economy, social habits and economic models that resulted in a crisis of isolation and rootlessness.<sup>111</sup>

---

111 CSJ, *Community Capital*, 2019 pg 7, pg 23, pg 21

Figure 16: ONS wellbeing measures from Community Capital Paper



The antidote need not be nostalgic, platitudinal calls for a return to simpler times, but rather a reorientation in our society’s priorities. For many, the ‘new normal’ – where life and work have had to occupy the same space – has revealed the rewards of responsibilities to families and communities, where previously they had been neglected.

The late, great Sir Roger Scruton said shortly before his death: *‘If you ask why concepts like community, place and belonging have suddenly come to occupy a central place in political discourse, then you will quickly light upon the obvious fact that those aspects of the human condition are, in modern conditions, all under threat.’*<sup>112</sup>

112 Scruton R, The Berggruen Institute, ‘The Architecture of Social Isolation’, The World Post, 2019 [accessed via: [www.berggruen.org/the-worldpost/articles/the-architecture-of-social-isolation/](http://www.berggruen.org/the-worldpost/articles/the-architecture-of-social-isolation/)]

In order to build social capital, we need social infrastructure. It is places that enable people to build a sense of belonging to a community. But post offices, pubs, libraries, youth centres, banks, bingo halls, churches, playgrounds, museums and parks are disappearing.<sup>113</sup>

When such civic institutions close, they cease to be guarantors of the stability on which strong communities are built. This local space in between the individual and the state is an essential safety net and must not be surrendered. When it is, individuals are often left with only the state to depend on.

In 2019, the Prime Minister vowed to support: *'vital social and cultural infrastructure, from libraries and art centres to parks and youth services: the institutions that bring communities together and give places new energy and new life.'*<sup>114</sup>

This support is now more urgently needed than ever. We must seize the opportunity this terrible pandemic has provided to consider how a renewed sense of 'we' can be harnessed by business and government to transformative effect.

## 2.2 We should use communities to kickstart the recovery

This crisis has made clear that each and every person can be an asset to their community; we all have a role to play in tackling the virus. Indeed, the effort depends on high levels of participation. Remarkably, the Government has issued summons to individuals, businesses, charities and the public sector alike to realise this civic duty.

And we have – largely – taken note. Imperial College London found that 71 per cent of people reported changing behaviour in response to government guidance.<sup>115</sup>

This asset-based approach marks a new modesty, recognising that a well-functioning society requires more than good governance; it also needs proper collaboration between a diversity of institutions across civil society.

### 2.2.1 A new sense of civic duty

During the pandemic, many citizens have 'showed up' to fulfil their civic duty and serve their local community. The ONS found that just over half of adults said someone had offered to organise or bring food and other essentials if they needed to self-isolate or became unwell.<sup>116</sup>

We have also seen the harnessing of this newfound trust by local authorities. The New Local Government Network (NLGN) surveyed council leaders and found they highly valued the contribution of community groups during lockdown, and almost half have now set up

---

113 Gregory D, 'Skittled Out', London: Local Trust, 2018, Part One [accessed via: [localtrust.org.uk/insights/essays/skittled-out-an-essay-by-dan-gregory/](http://localtrust.org.uk/insights/essays/skittled-out-an-essay-by-dan-gregory/)]

114 Prime Minister, 'Speech at Manchester Science and Industry Museum', gov.uk, 2019 [accessed via: [gov.uk/government/speeches/pm-speech-at-manchester-science-and-industry-museum](http://gov.uk/government/speeches/pm-speech-at-manchester-science-and-industry-museum)]

115 ICL, 'Most washing hands but only half social distancing following coronavirus advice', 2020 [accessed via: [imperial.ac.uk/news/196353/most-washing-hands-only-half-social](http://imperial.ac.uk/news/196353/most-washing-hands-only-half-social)]

116 ONS, 'How the Office for National Statistics is responding to the challenge of the Covid-19 pandemic', 2020 [accessed via: [blog.ons.gov.uk/2020/04/09/how-the-office-for-national-statistics-is-responding-to-the-challenge-of-the-covid-19-pandemic/](http://blog.ons.gov.uk/2020/04/09/how-the-office-for-national-statistics-is-responding-to-the-challenge-of-the-covid-19-pandemic/)]

some form of community support hub.<sup>117</sup> At the same time, local charities and activists with deep roots in the community are assuming coordination roles. No one is better placed to do this than they are.<sup>118</sup>

However, it is not clear if partnerships between councils and local volunteers are properly balanced. In some areas, their respective modus operandi differ, and there are reports of volunteers feeling pressured to adopt council protocol, such as measures to limit or means test support. This can feel alien to volunteers and risks damaging their hard-won trust with residents. One local activist put it like this: *'We had thought we were a part of the civic resistance and instead we were special constables for the DWP. They'd switched the story on us.'*<sup>119</sup>

### 2.2.2 A latent capacity for local support networks

The pandemic has highlighted a sense of civic duty in our town and villages, and a latent capacity for community-building activity. Andrew Haldane, Chief Economist at the Bank of England, has said we could double our volunteer army by harnessing the power of our ageing population. The number of surplus hours available through older members of society is estimated to rise to up to 16 billion a year by 2050.<sup>120</sup>

Job seekers could add to this volunteering capacity too, but take-up suffers from claimants' caution of the negative impact on their allowance. Too often, those receiving welfare are defined by their deficiency – 'not in education, employment or training', or NEET – when in fact, all are an asset to their community. We must harness this latent capacity.

### 2.2.3 Initiatives to encourage community spirit

A series of initiatives were introduced to boost the impact of this growing sense of community.

For example, as lockdown came into force, the Department for Culture, Media & Sport (DCMS) announced that to support the effort to galvanise volunteers and coordinate help, the Disclosure and Barring Service had announced a relaxation of ID check rules for volunteering.

Elsewhere, competition laws were relaxed so supermarkets could share data on stock levels and coordinate accordingly, while an extension of delivery hours meant a greater number of vulnerable people had access to the supplies they needed. Meanwhile, cultural providers were supported by digital initiatives to offer ways for people to enjoy the Arts at home.

117 NLGN, 'Leadership Index', 2020 pg 4 [accessed via: [nlgng.org.uk/public/wp-content/uploads/Leadership-Index\\_MAY-2020.pdf](https://nlgng.org.uk/public/wp-content/uploads/Leadership-Index_MAY-2020.pdf)]

118 Lloyds, 'Charities responding to Covid-19', 2020 pg 5 [accessed via: [lloydsbankfoundation.org.uk/media/0cdd3m1a/charities-responding-to-covid-19-analysis.pdf](https://lloydsbankfoundation.org.uk/media/0cdd3m1a/charities-responding-to-covid-19-analysis.pdf)]

119 alanlaneblog, '10 weeks of social care referrals and keeping promises', 2020 [accessed via: [alanlaneblog.wordpress.com/2020/05/28/blogpost-10-weeks-of-social-care-referrals-and-keeping-promises/](https://alanlaneblog.wordpress.com/2020/05/28/blogpost-10-weeks-of-social-care-referrals-and-keeping-promises/)]

120 Civil Society, 'Fourth Industrial Revolution 'could almost double volunteering resource'', 23 May 2019 [accessed via: [civilsociety.co.uk/news/4th-industrial-revolution-will-cause-a-surge-in-volunteering-says-pro-bono-economics-founder.html](https://civilsociety.co.uk/news/4th-industrial-revolution-will-cause-a-surge-in-volunteering-says-pro-bono-economics-founder.html)]

The phenomenon of 'furlonteering' marks a novel shift, too. While there is no expectation for furloughed staff to offer their resource, 2,500 people did so within the first two weeks of the launch of furlonteer.com, a site that matches 'furlonteers' with projects.<sup>121</sup>

St James's Place, a wealth management business, have historically allocated each employee two days per year to take as 'Charity Days'. These days are taken by employees so they can volunteer for local charities. These may be charities supported by the company's foundation, or they may be one relevant to that employee. During this recent time of high need, St James's Place removed the two-day cap on these days, allowing employees to request additional days to help with charities and locally where there was need.

## 2.3 A strong society values human relationships

The measures taken to restrict the spread of the Covid-19 virus have created a blunt dichotomy between health and wealth. At times, it has felt as though the choice has been a straight shootout between saving lives and saving the economy.

### 2.3.1 The lockdown challenge of balancing health, wealth and basic human needs

As lockdown went on, a range of voices grew louder in asking: '*what is the trade-off?*' As humans, we value other things often underrepresented in Whitehall calculations that cannot reflect outcomes and are tricky to measure but remain equally significant. For example, we place great value in gathering with friends and family in private or public spaces and consider this vital in maintaining our wellbeing.

To its credit, the Government has stated continually that the profound restrictions to our basic liberties it introduced to mitigate the spread of the virus were not implemented through choice. However, we cannot and must not ignore the cost of limiting human interaction, no matter how hard it is to measure.

Furthermore, these restrictions served to make it clear that the widespread closure of many centres of local community activity in recent years has left a significant vacuum in people's lives. We need to revitalise infrastructure that helps build community and to facilitate and encourage relationships between friends, families and neighbours and the sense of stability these create.

In response to reports that local authorities had been closing parks during lockdown, the Rt Hon Robert Jenrick MP, the Communities Secretary said: '*For the health of the nation, people should be able to safely enjoy fresh air and green space.*'<sup>122</sup>

---

121 BBC, 'Coronavirus: Should furloughed workers offer their skills for free?', 2020 [accessed via: [bbc.co.uk/news/business-52556518](https://www.bbc.com/news/business-52556518)]

122 Robert Jenrick, 'Communities Secretary's statement on coronavirus (Covid-19)', gov.uk, 2020 [accessed via: [gov.uk/government/speeches/communities-secretary-robert-jenrick-on-covid-19-response-18-april-2020](https://www.gov.uk/government/speeches/communities-secretary-robert-jenrick-on-covid-19-response-18-april-2020)]

There were many local efforts to preserve a sense of belonging to place, despite restrictions on social gatherings. For instance, The Annexe, a community resource centre in Hartlepool, is providing local people with leftover textiles to make a patchwork quilt with individual contributions woven together. It will be exhibited when the centre is reopened.<sup>123</sup>

Anecdotally, food banks, places that serve a social as well as financial need, are adopting new practices to get food delivered, as well as to keep in touch with users.

### 2.3.2 Places and nature, and their impact on wellbeing during lockdown

The ONS found that nearly half of adults said their wellbeing was affected by the Covid-19 pandemic, in part by restricted access to the natural environment. There has been increased interest from policymakers in 'wellbeing' as an outcome; related to but much broader than health, it is about purposeful participation in places.

During the pandemic, places such as high streets could no longer perform their traditional function. Authors of 'People Make Places', Mean and Tims, describe the high street as a *'self-organising public service'* by virtue of its capacity to create a geographical focus and meeting place.<sup>124</sup> Added to this loss, nearly 2.7 million people do not have a publicly accessible local park or green space within a ten-minute walk of where they live.<sup>125</sup> One in eight British households had no access to a private or shared garden during lockdown, rising to more than one in five in London.<sup>126</sup>

Any loss of parks and green spaces is likely to *'disproportionately impact disadvantaged and underrepresented communities'*, according to Fields in Trust analysis.<sup>127</sup>

However, too often physical assets are seen by local authorities as generators of money, rather than social value. According to Locality, on average, 4,131 publicly owned buildings and spaces are sold off each year in private sales, such as Starbucks and Odeon.<sup>128</sup>

## 2.4 Now is the moment to rethink our high streets

Places, or place-making, may have been low on the national policy agenda before the Covid-19 pandemic, but the crisis will change this.

High streets have taken a significant hit over recent years as many retailers focus on online sales. Remaining retailers must boost their in-store experience to reflect new spending trends. There is a chance that lockdown will leave our high streets permanently scarred.

123 Power to Change, 'How Power to Change is supporting the community business sector in response to Covid-19', 2020 [accessed via: [powertochange.org.uk/blog/power-change-supporting](http://powertochange.org.uk/blog/power-change-supporting)]

124 Joseph Rowntree Foundation, 'The Social Value of Public Spaces, York': Joseph Rowntree Foundation, 2017 [accessed via: [jrf.org.uk/file/37319/download?token=tRbLu9Rt&filetype=full-report](http://jrf.org.uk/file/37319/download?token=tRbLu9Rt&filetype=full-report)]

125 Fields in Trust, 'Green Space Index', 2020 [accessed via: <http://fieldsintrust.org/green-space-index>]

126 ONS, 'One in eight British households has no garden', 2020 [ons.gov.uk/economy/environmentalaccounts/articles/oneineightbritishhouseholdshasnogarden/2020-05-14]

127 Fields in Trust, 'Green Space Index', 2020 [accessed via: <http://fieldsintrust.org/revaluing>]

128 Locality, 'The Great British Sell Off: How we're losing our vital publicly owned buildings and spaces. Forever', London: Locality, 2018 [accessed via: [locality.org.uk/policy-campaigns/save-our-spaces/the-great-british-sell-off/](http://locality.org.uk/policy-campaigns/save-our-spaces/the-great-british-sell-off/)]

Yet rapid changes to the high street already underway present an opportunity to reinvent it: to properly dignify it as the 'self-organising public service' that it truly is, nurturing meaningful interactions between neighbours and the local community.

It is likely that an increase in home working will continue once we recover from the pandemic, which could provide a boost to high streets as people spend more time, and money, in their local village or town.

We, therefore, need to encourage more flexible use of the high street, particularly as units become vacant with little sign of new shops to fill them. Empty retail spaces could be repurposed for a range of locally led enterprises that promote a strong sense of community.

Moreover, we have an opportunity to capitalise on a sense of hope, as observed by the CSJ when researching our 2019 report, *Community Capital*. A member of the Treherbert Bowls Club in Rhondda Cynon Taf, Wales, said: *'The community spirit is holding up well. Neighbours are seeing each other more often than before, although at a distance, on doorsteps, out taking exercise and shopping. People have more time now. They're not working, not travelling, and there appears that a lot of good will come out of this crisis.'*

## 2.5 Protecting and empowering local interests

It's a no-brainer: decisions made closer to the people they affect are better quality decisions.

The myriad mediatory institutions throughout civil society are unlike mechanisms of the state, which are limited in their ability to capture the complexity of people's lives. Ill-informed decisions and ill-targeted services devised at a national level can inadvertently damage pre-existing networks of support.

The Government established a Local Support System for the 1.5 million people shielding during the crisis, although the NHS Volunteer Responders programme, which yielded around 1 million volunteers, was slow to mobilise the resource.

Meanwhile, mutual aid groups, such as Covid-19 Mutual Aid UK, were mobilising local residents to support local efforts across the country.

## 2.6 Learning the lessons of The Wigan Deal

One salient example is the Wigan Deal, introduced by the local council under the pressure of austerity. The deal is an informal agreement between the council and those who live or work in Wigan to create a better borough.

As part of the agreement, the council made a number of pledges and invited the community to volunteer and/or to support local business, thereby reducing dependence on formal services. The result was that the council saved well over £100 million,<sup>129</sup> simultaneously saving money and improving lives through investment in social infrastructure.

---

<sup>129</sup> Wigan Council, 'What is The Deal?'



In turn, Wigan has delivered more than 23,000 food parcels, advised more than 2,000 local businesses, created a new hospital discharge unit, set up a home care service and a homeless hub, and transformed the armed forces HQ into a logistics hub supported by an army of volunteer veterans, all while maintaining a 99 per cent bin collection rate.<sup>130</sup>

But underpinning all of this were citizens honouring the deal. Alison McKenzie-Folan, Chief Executive at Wigan Council, said: *'It was through the kindness of people in our neighbourhoods that many were helped throughout the crisis. We now have an additional 800 volunteers, who stepped forward to help their fellow neighbours in the pandemic.'*<sup>131</sup> Wigan intends to base its recovery response on the same principles, harnessing the community's collective creativity *'with an emphasis on healing and re-connecting through the power of art'*.<sup>132</sup>

Since the outbreak, the author of The Wigan Deal and the council's former chief executive, Professor Donna Hall, has made the case for enabling locally-led efforts to tackle the virus, particularly regarding contact tracing. Hall said: *'Not only are councils naturally placed to respond quickly to the distinct needs, challenges and infection rates of their own area, but they are equipped with their own teams of public health professionals. All they need is the permission – and resources – from Westminster.'*<sup>133</sup>

We know from the Ebola outbreak in West Africa that community engagement is key to public health. The same applies here. In fact, during this pandemic, health staff in Bavaria tracked and traced a single canteen saltshaker responsible for the spread of the virus around an entire factory.

## 2.7 If not now, then when?

While researching the CSJ's 2019 report, *Community Capital*, we heard many encouraging stories of community-led volunteer action that demonstrate the national mood is ripe for implementing new structures that will help build strong local communities and promote higher levels of individual wellbeing.

**We have set up a local CEO forum for the voluntary, community and faith (VCF) sector where we meet on Zoom to discuss the response of each of our organisations in order to support each other as service leads, but also to ensure joined-up working, share resources and work together to support our local community as best we can.**

**Ferries Family Groups**

**Having a broad knowledge of local services is the key. This allows for a referral to be placed with the most suited organisation.**

**Council of Voluntary Services, Tendring**

<sup>130</sup> McKenzie-Folan, 'We faced Covid-19 with kindness, compassion & love. Now we're preparing for our biggest challenge yet', NLGN, 2020

<sup>131</sup> Ibid

<sup>132</sup> Ibid

<sup>133</sup> Donna Hall, 'Snubbing local expertise in favour of private Covid-19 tracing is a disaster', The Guardian, 2020

Those not as at risk stepped up to become the volunteers genuinely needed throughout this difficult time.

**Make It Happen**

We have new ad hoc community groups delivering hot meals and telephone befriending services... Taxi firms have helped some people to get shopping, and food banks have popped up in smaller villages, run by donations and help from local residents.

**Council of Voluntary Services, Tendring**

## Conclusion

We must dignify communities by empowering them to do what they do best.

The support – effectively unpaid work – offered by family, neighbours and local community groups was valued by the ONS in 2014 at £1 trillion, equivalent to 56 per cent of GDP. The social capital that social infrastructure affords people must not be left out of Treasury calculations.

Building community is primarily about shifting power. We must move away from the assumption that government must be the sole operator of filling gaps. Instead, government must recognise the potential in our 390,000 civil society organisations, and, in the spirit of decentralisation, harness it. We need to trust their judgment and allow their pride of place to drive creative solutions to local problems.

The pandemic has hastened a great subterranean shift underway in our culture, as previously identified by the CSJ. People are reaching once again for connection, belonging and a sense of meaning that goes beyond our own immediate gratification. What is left is for the Government to align with these values.

## Our recommendations

### 1. Capitalise on latent capacity for volunteering that builds communities

Voluntary work is valuable, and it is, therefore, appropriate to invest in creating more capacity and rewarding volunteers. Currently, the Government is encouraging those on furlough, who cannot work and are in receipt of taxpayers' money, to take up other opportunities to contribute. The Government should continue to explore ways to boost volunteering at a local level among groups with increased capacity. The welfare system could look at improving claimants' contributions, as well as those of people drawing a pension. Universities should also look at incentives for students.

### 2. Create new employment models for employees adapting to the new normal

Employment contracts should reflect newfound preferences to spend more time closer to home. Working from home reduces time spent commuting that can otherwise be channelled into building families and/or into schemes that help build strong communities.

### 3. Repurpose emptying high streets for the good of local communities

The CSJ welcomes the recommendation by Create Streets to introduce a new ‘flexible-use class’ for land in planning policy. Retail vacancies are on the rise, and in order to retain vibrancy in town centres, the Government should diversify economic opportunities by enabling a range of enterprises to occupy high street spaces, such as artist’s studios.<sup>134</sup>

### 4. Give local authorities more power over decisions that impact local people

The 2011 Localism Act provided local authorities with new powers and greater freedom to make local decisions on matters previously determined centrally. However, this cannot be realised unless central government hands over duties best performed by local authorities. Almost ten years on from the Act, central government must now actively shift power – and money – to local authorities. The way in which Wigan Council has empowered local civil society to improve lives through The Wigan Deal is exemplary. The Government should draw heavily on Wigan’s example in the upcoming English Devolution White Paper and seek to devolve down to local authorities, and subsequently out to communities.

#### **Disclaimer**

While the advisors are supportive of this chapter, it should not be assumed that each advisor agrees with all the points raised.

We would also like to thank Helen Wade, Amy Butterworth, Sonia Shaljean, Caroline Szabo, and Clive and Christine Sheridan.

---

<sup>134</sup> Nicholas Boys Smith, ‘My ten point plan for the ‘new normal’’, ConHome, 2020

## part two | policy three

# Kick-start the recovery by rebooting adult training

### With thanks to:

Rt Hon Robert Halfon, Member of Parliament for Harlow  
Christopher Nieper OBE, Chair of Trustees, The David Nieper Education Trust

## 3.1 Why we need a strong adult training offer

### 3.1.1 The pandemic has dealt the economy a hammer blow

As we pick ourselves up from lockdown, our jobs market will not resemble the one we previously occupied. Between February and April 2020, GDP fell by an eye-watering 25 per cent.<sup>135</sup> Between April and June 2020, 8.7 million people were furloughed at a monthly cost of £10.5 billion. It has projected that the overall cost will be £60 billion by the time the scheme winds down fully.<sup>136</sup> In addition, between 16 March and 19 May, there were 2.8 million Universal Credit claims (which works out at around 43,000 a day – up from 11,000 a day between 1 March and 15 March).<sup>137</sup>

Around 800,000 young people aged 18 to 24 are expected to join the labour market this year, only to face a barren jobs market; according to one projection, the number of 18 to 24-year-olds not in education, employment or training could rise to 1 million in the next year.<sup>138</sup> These individuals will need to train quickly, both to meet emerging demand in sectors that are still growing despite the pandemic, and to capitalise on new jobs when the economy bounces back.

---

135 Office for Budget Responsibility, Public Sector Finances: May 2020, pg 2 [accessed via: <https://obr.uk/docs/June-2020-Commentary-on-the-public-sector-finances.pdf>]

136 Office for Budget Responsibility, Coronavirus policy monitoring database, 4 June 2020, [accessed via: [https://obr.uk/docs/Coronavirus\\_policy\\_monitoring\\_database\\_04-June\\_2020-1.xlsx](https://obr.uk/docs/Coronavirus_policy_monitoring_database_04-June_2020-1.xlsx)]

137 Ibid

138 Learning and Work Institute, 2020, Emergency Exit: How we get Britain back to work, [accessed via: <https://learningandwork.org.uk/wp-content/uploads/2020/06/Emergency-exit-getting-Britain-back-to-work.pdf>]

### 3.1.2 Pandemic or no pandemic, skills training raises productivity and living standards

Even before Covid-19, there were several compelling reasons to boost adult retraining. For a start, millions of adults have low or no qualifications. In 2018, over a third of working-age adults in England were only qualified to level 2 (GCSE equivalent) or below,<sup>139</sup> and 11.3 million adults lacked the full set of basic digital skills.<sup>140</sup> The jobs market is unforgiving for those who arrive underqualified; low qualifications make unemployment more likely,<sup>141</sup> depress earning potential,<sup>142</sup> and undermine the home learning environment.<sup>143</sup> Adult training can change all of that. Even brushing up on basic skills pays dividends, while higher-level qualifications are clearly linked to greater earning potential.<sup>144</sup>

Adult training also allows us to boost productivity, which in turns raises wages and living standards. Partly because it helps plug skills mismatches, but also because higher-skilled jobs are linked to greater productive output.<sup>145</sup> Currently, we are some way off realising our productive potential. According to a 2015 Organisation for Economic Co-operation and Development (OECD) report, a quarter of workers in the UK are underqualified even for their existing jobs.<sup>146</sup> And training is firmly out of step with the market; among OECD countries, we have one of the weakest relationships between the skills employers report as being priorities and the ones employees actually learn.<sup>147</sup>

### 3.1.3 For people whose skills are likely to be wiped out, adult training offers a way back

The other compelling reason to boost training today is that we can capitalise on the opportunities of tomorrow. Our jobs market is calling into question the relevance of certain skills, and the pandemic may well have nudged this up a gear (according to one survey of large companies across the world, more than a third of executives are already accelerating their plans for automation).<sup>148</sup> Although predictions about the magnitude of change vary, it is clear that many people will need to retrain. While some low skilled

139 CSJ analysis of NOMIS data: ONS, 2020, Annual Population Survey, [accessed via: [www.nomisweb.co.uk/home/detailedstats.asp?resume=no](http://www.nomisweb.co.uk/home/detailedstats.asp?resume=no). Definitions of NVQ used in analysis, accessed via: [www.nomisweb.co.uk/articles/937.aspx](http://www.nomisweb.co.uk/articles/937.aspx)]

140 Lloyds, 2019, Consumer Digital Index 2018 report, pg 6 [accessed via: [www.lloydsbank.com/assets/media/pdfs/banking\\_with\\_us/whats-happening/LB-Consumer-Digital-Index-2018-Report.pdf](http://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/LB-Consumer-Digital-Index-2018-Report.pdf)]

141 DfE, 2016, Qualifications in the population, Economic activity by level of highest qualification held by people aged 19 to 64 in England: April 2015, [accessed via: [www.gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey](http://www.gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey)]

142 DfE, 2016, Qualifications in the population, [accessed via: [gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey](http://gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey)] Mean Hourly Wage by Level of Highest Qualification Held in England: April 2015]

143 OECD, 2016, Building skills for all: a review of England, pg 27 [accessed via: [www.oecd.org/unitedkingdom/building-skills-for-all-review-of-england.pdf](http://www.oecd.org/unitedkingdom/building-skills-for-all-review-of-england.pdf)]

144 DfE, 2016, Qualifications in the population, accessed via: [www.gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey](http://www.gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey). Mean Hourly Wage by Level of Highest Qualification Held in England: April 2015

145 Institute for Employment Research, 2009, Exploring the links between skills and productivity: final report [accessed via: [https://warwick.ac.uk/fac/soc/ier/publications/2009/gambin\\_et\\_al\\_2009\\_skills.pdf](https://warwick.ac.uk/fac/soc/ier/publications/2009/gambin_et_al_2009_skills.pdf)]; OECD, 2017, Boosting skills would drive UK growth and productivity [accessed via: [www.oecd.org/employment/boosting-skills-would-drive-uk-growth-and-productivity.htm](http://www.oecd.org/employment/boosting-skills-would-drive-uk-growth-and-productivity.htm)]

146 OECD, 2016, Mismatch – National Statistics, [accessed via: <https://stats.oecd.org/Index.aspx?DataSetCode=MISMATCH>]

147 OECD, 2019, Future ready adult learning, pg 2 [accessed via: <http://oecd.org/unitedkingdom/Future-ready-adult-learning-2019-United-Kingdom.pdf>]

148 Ernst and Young, 2020, Global Capital Confidence Barometer, [accessed via: [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_gl/topics/ey-capital-confidence-barometer/pdfs/22/ey-22nd-global-capital-confidence-barometer-march-2020.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/ey-capital-confidence-barometer/pdfs/22/ey-22nd-global-capital-confidence-barometer-march-2020.pdf)]

occupations are likely to grow, many others are at risk, and it is likely that the overall trajectory of skills demand is towards higher-skilled jobs. It is what some experts refer to as 'asymmetric polarisation'.<sup>149</sup>

Although many of us will need to adapt, people with lower-level qualifications are more precariously poised than most. As we hurtle towards a more tech-driven labour market, it is these individuals who are worst placed to capitalise on emerging demand. Consider this: while 1.5 million people are employed in jobs that are at high risk of automation, 98.8 per cent of these individuals are qualified to level 3 or below.<sup>150</sup> And people whose jobs are at high risk of being wiped out are 21 per cent less likely to train than those whose jobs are relatively safe.<sup>151</sup>

## 3.2 How to reboot our adult skills offer

Despite the clear need for adult training – to navigate our way out of the pandemic; to raise productivity and living standards; and to profit from, rather than be supplanted by, technological change – our current offer is stagnating. There are ways to remedy this.

### 3.2.1 Boost apprenticeships

The apprenticeship model is a powerful vehicle for life change. Cushioned by the security of paid employment, the opportunity to develop new skills, and the tangible prospect of a job beyond that, it offers an ideal environment within which to develop new skills. It also tracks demand in the market dynamically and therefore helps to boost productivity. It should be right at the heart of our future skills and learning infrastructure.

Yet we have not yet realised the enormous transformative potential that exists in the apprenticeships model. The overall number of apprenticeships dropped by more than 100,000 starts (or by 21 per cent) between 2014/15 and 2018/19.<sup>152</sup> Some of those apprenticeships lacked currency and had to go, but there is plenty of scope for many more new, high-calibre apprenticeships than currently exist.

Part of the problem is that our model does not reflect SME demand. The apprenticeships system for levy payers is employer-led. However, non-levy payers operate in a world in which apprenticeships are effectively capped. They can apply for funding to meet training costs, but the government limits the number of apprenticeships it supports. There is considerable untapped potential (as of January 2020, non-levy payers lacked the resources to fund around 85,000 apprenticeships),<sup>153</sup> but our current approach is suppressing this.

---

149 Foresight, 2016, *Skills demand, training and skills mismatch: a review of key concepts, theory and evidence*, pg 11 [accessed via: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/571667/ER4\\_Skills\\_Demand\\_\\_Training\\_and\\_Skills\\_Mismatch\\_A\\_Review\\_of\\_Key\\_Concepts\\_\\_Theory\\_and\\_Evidence.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/571667/ER4_Skills_Demand__Training_and_Skills_Mismatch_A_Review_of_Key_Concepts__Theory_and_Evidence.pdf)]

150 ONS, 2017 [accessed via: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/theprobabilityofautomationinengland/2011and2017](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/theprobabilityofautomationinengland/2011and2017) – Figure 7]

151 OECD, 2019, *Future ready adult learning*, pg 2 [accessed via: <http://oecd.org/unitedkingdom/Future-ready-adult-learning-2019-United-Kindgom.pdf>]

152 DfE, 2020, *Apprenticeships and traineeships data* [accessed via: [www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships](http://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships)]

153 Financial Times, 2020, *Apprenticeships chief urges plugging of funding gap*, [accessed via: [www.ft.com/content/1859b492-3b98-11ea-a01a-bae547046735](http://www.ft.com/content/1859b492-3b98-11ea-a01a-bae547046735)]

Apprenticeships also lean too heavily towards highly qualified employees, and not enough towards school leavers. One of the numerous reasons for this is that some employers use levy funds to rebadge existing training, or to accredit skills that people already have (according to CSJ/YouGov polling, almost one in five levy payers do this in each case).<sup>154</sup> While our apprenticeships system should play a part in re-skilling established workers, it must not crowd out opportunities for people who are about to join the market – particularly during the pandemic, which is rapidly extinguishing their prospects. The scarring effects of prolonged youth unemployment are deep,<sup>155</sup> and we must do all we can to avert them.

In addition, pupils know too little about apprenticeships. There is a lack of good quality information, advice and guidance on apprenticeships in schools, and some schools are not adhering to legislation that aims to give pupils more access to information about apprenticeships.<sup>156</sup> Employers, too, are often unaware of the support that exists to help them – according to YouGov/CSJ polling, 43 per cent of those who employ apprentices are not aware of any form of financial support available to them.<sup>157</sup>

### 3.2.2 Enable and support other forms of adult training

It is not just apprenticeships that need more attention. Our whole adult training offer should be rebooted. The number of adult learners dropped sharply, from 4.4 million to 1.5 million, between 2004/05 and 2017/18,<sup>158</sup> and training falls short right across the skills spectrum. Take basic skills. In 2018, over a third of working-age adults in England were only qualified to level 2 (GCSE equivalent) or below,<sup>159</sup> and according to a 2016 report by the OECD, around 9 million working adults in England lack functional literacy or numeracy.<sup>160</sup> And yet, adult learning at the lower end of the skills range, which is crucial for unlocking better paid jobs, has plummeted.<sup>161</sup>

We are not meeting our higher skills needs, either. Many industries rely on technicians who are trained to a higher (but sub-degree) level, but many employers are unable to find them. In 2018, there were 398,244 technician-level STEM shortages alone, many of

154 YouGov, 2019, B2B Omnibus Survey, conducted between 7–16 October 2019. Total sample size was 2,022 senior decision makers. Fieldwork was undertaken between 7–16 October 2019. The survey was carried out online. The figures have been weighted and are representative of British business size.

155 See, for example, Bell and Blanchflower 2011, Young people and the Great Recession, [accessed via: <https://academic.oup.com/oxrep/article-abstract/27/2/241/429358>]

156 'DfE Took No Action Against Schools That Ignored New Careers Duty', *Schools Week*, 9 February 2019 [accessed via: <https://schoolsweek.co.uk/dfe-took-no-action-against-schools-that-ignored-new-careers-duty/>]

157 YouGov, 2019, B2B Omnibus Survey, conducted between 7–16 October 2019. Total sample size was 2,022 senior decision makers. Fieldwork was undertaken between 7–16 October 2019. The survey was carried out online. The figures have been weighted and are representative of British business size.

158 IfS, 2019, Annual report on education spending in England, pg 9 [accessed via: [www.ifs.org.uk/uploads/R162-Education-spending-in-England-2019.pdf](http://www.ifs.org.uk/uploads/R162-Education-spending-in-England-2019.pdf)]

159 CSJ analysis of NOMIS data: ONS, 2020, Annual Population Survey, [accessed via: [www.nomisweb.co.uk/home/detailedstats.asp?resume=no](http://www.nomisweb.co.uk/home/detailedstats.asp?resume=no). Definitions of NVQ used in analysis, accessed via: [www.nomisweb.co.uk/articles/937.aspx](http://www.nomisweb.co.uk/articles/937.aspx)]

160 OECD, 2016, Building skills for all: a review of England [accessed via: [oecd.org/unitedkingdom/building-skills-for-all-review-of-england.pdf](http://oecd.org/unitedkingdom/building-skills-for-all-review-of-england.pdf)]

161 DfE, 2019, Further Education and Skills in England: November 2019 [accessed via: [www.gov.uk/government/statistics/further-education-and-skills-november-2019](http://www.gov.uk/government/statistics/further-education-and-skills-november-2019)]

which required level 4 and 5 qualifications.<sup>162</sup> And yet the number of level 4 and 5 starts (excluding apprenticeships) is declining,<sup>163</sup> and the number of adults enrolling in part-time higher education has fallen by 70 per cent since 2009/10.<sup>164</sup>

Employer-led training – traditionally such a powerful motor of skills development – is also stuck in a rut. The proportion of employees who receive job-related training was lower in the last four years than at any point since the mid-1990s.<sup>165</sup> Many employers want to roll out more training (in 2017, almost half of employers in England wanted to provide more than they offered in the previous year), but prohibitive cost tops the list of reasons why they cannot.<sup>166</sup>

All these trends are, together, sapping the energy from adult training. While this presents problems for us all, it is particularly destructive for disadvantaged adults. These individuals stand to benefit most from skills development, but are the least likely to be learning. Remarkably, 49 per cent of adults aged 19–64 in the DE social group have not participated in any learning at all since leaving full-time education.<sup>167</sup>

### 3.3 What does a bold agenda that kick-starts the recovery look like?

Even before the pandemic, it was clear we needed to overhaul adult skills training. Now, this is more salient than ever. In the CSJ's recent reports, *The Long Game: How to Reboot Adult Skills Training for Disadvantaged Adults* of 2020 and *Trade Secrets: How to Reboot Apprenticeships and Kick-start the Recovery* of 2020, we make our case in full, and below we outline a small selection of those ideas. The Government's £3 billion National Skills Fund should be used to support these measures, but that commitment was devised when the economy was strong. Faced with a formidable economic downturn, it should be prepared to go further, if that's what it takes. Some of our ideas include:

---

162 NAO, 2018, Delivering STEM skills for the economy, pg 21 [accessed via: [www.nao.org.uk/wp-content/uploads/2018/01/Delivering-STEM-Science-technology-engineering-and-mathematics-skills-for-the-economy.pdf](http://www.nao.org.uk/wp-content/uploads/2018/01/Delivering-STEM-Science-technology-engineering-and-mathematics-skills-for-the-economy.pdf)]

163 DfE, 2019, Review of the level 4–5 qualification and provider market: research report, pg 79 [accessed via: [assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/782160/L4-5\\_market\\_study.pdf](http://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/782160/L4-5_market_study.pdf)]

164 HESA, 2019, Table 1 – HE student enrolments by HE provider 2014/15 to 2018/19, [accessed via: [www.hesa.ac.uk/data-and-analysis/students/table-1](http://www.hesa.ac.uk/data-and-analysis/students/table-1)]. [www.hesa.ac.uk/data-and-analysis/students/table-1](http://www.hesa.ac.uk/data-and-analysis/students/table-1)] For data before 2014/15 the publications archive was used: HESA, 2009–2015, Publications Archive: Students in Higher Education (Years 2009/10–2013/14), accessed via: [www.hesa.ac.uk/data-and-analysis/publications](http://www.hesa.ac.uk/data-and-analysis/publications)] In each dataset, Table 11b]

165 ONS, 2019, Job-related training, [accessed via: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/jobrelatedtrainingreceivedbyemployeesemp15](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/jobrelatedtrainingreceivedbyemployeesemp15)]

166 DfE, 2018, Employer Skills Survey 2017: England and local toolkit, [accessed via: [http://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/733747/Employer\\_Skills\\_Survey\\_2017-England\\_slide\\_pack\\_\\_1\\_.pdf](http://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733747/Employer_Skills_Survey_2017-England_slide_pack__1_.pdf) [www.gov.uk/government/publications/employer-skills-survey-2017-england-and-local-toolkit](http://www.gov.uk/government/publications/employer-skills-survey-2017-england-and-local-toolkit), tables 160 and 161]

167 Learning and Work Institute, 2020, Participation in Learning Survey 2019 [raw data provided to the CSJ by the Learning and Work Institute]



### 3.3.1 Fully realise the enormous potential that exists in our apprenticeships system

Apprenticeships increase employability<sup>168</sup> and earning potential.<sup>169</sup> They unlock valuable training without the weight of student debt tied to learners' futures. Employers, too, benefit from them: better product and service quality, morale, retention, and innovation are all widely cited.<sup>170</sup> And they bring an impressive return on public investment. For example, for every pound of public money spent on full level 2 qualifications, the return to the economy is £21, and £16 for full level 3 qualifications.<sup>171</sup> Here's how the Government could reconfigure its apprenticeships offer and boost our economic recovery.

### 3.3.2 Remove the cap on government-funded training for SMEs and introduce a non-levy budget for training

We know there is considerable untapped potential for apprenticeships among non-levy payers, and yet they operate in a world in which apprenticeships are effectively capped. It is estimated that, in January 2020, non-levy payers lacked the resources to fund around 85,000 apprenticeships.<sup>172</sup> SMEs together represent over 99 per cent of UK employers,<sup>173</sup> and we risk suppressing latent demand on an imposing scale.

We need a truly demand-led system, where apprenticeship numbers flow to their natural destinations. Because many non-levy payers cannot afford the associated training costs, that will never happen unless the Government removes the cap on government-backed training provision. It should instead set up a specific non-levy fund to support the training costs associated with approved apprenticeships.

### 3.3.3 Introduce a time-limited wage subsidy for new 16 to 24-year-old apprentices

The apprenticeships sector is already reeling from the pandemic. As of April 2020, only 39 per cent of apprenticeships were continuing as normal; 8 per cent of apprentices had been made redundant, and just 58 per cent of employers were confident all their apprentices would return once economic restrictions were relaxed.<sup>174</sup> As the blizzard of events continues to unfold, employers are likely to be highly risk-averse when it comes to investing in training.

168 DfE, 2018, Learners and Apprenticeships Survey 2018 [accessed via: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/808273/BRANDED-Learners\\_and\\_Apprentices\\_Survey\\_2018\\_-\\_Main\\_Report\\_-\\_14\\_May\\_2019\\_-\\_Clean.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/808273/BRANDED-Learners_and_Apprentices_Survey_2018_-_Main_Report_-_14_May_2019_-_Clean.pdf)], Figure 11; European Commission, 2013, The Effectiveness and Cost-Benefits of Apprenticeships [accessed via: [ec.europa.eu/social/BlobServlet?docId=11352&langId=en](http://ec.europa.eu/social/BlobServlet?docId=11352&langId=en)]

169 BIS, 2015, Measuring the Net Present Value of Further Education in England, pg 7 [accessed via: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/435166/bis\\_15\\_323\\_Measuring\\_the\\_Net\\_Present\\_Value\\_of\\_Further\\_Education\\_in\\_England.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/435166/bis_15_323_Measuring_the_Net_Present_Value_of_Further_Education_in_England.pdf)]; Sutton Trust, 2017, Better Apprenticeships [accessed via: [www.suttontrust.com/wp-content/uploads/2017/11/Better-Apprenticeships-1.pdf](http://www.suttontrust.com/wp-content/uploads/2017/11/Better-Apprenticeships-1.pdf)]

170 DfE, Apprenticeships: employer survey 2018–19 [accessed via: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/875561/Apprenticeships\\_Evaluation\\_-\\_Employer\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875561/Apprenticeships_Evaluation_-_Employer_Report.pdf)], Figure 8.7

171 BIS, 2015, Measuring the Net Present Value of Further Education in England. BIS Research Paper Number 228, pg 5 [accessed via: [assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/435166/bis\\_15\\_323\\_Measuring\\_the\\_Net\\_Present\\_Value\\_of\\_Further\\_Education\\_in\\_England.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/435166/bis_15_323_Measuring_the_Net_Present_Value_of_Further_Education_in_England.pdf)], pg 5

172 Financial Times, 2020, Apprenticeships chief urges plugging of funding gap [accessed via: [ft.com/content/1859b492-3b98-11ea-a01a-bae547046735](https://www.ft.com/content/1859b492-3b98-11ea-a01a-bae547046735)]

173 House of Commons Library, 2019, Business statistics [accessed via: [commonslibrary.parliament.uk/research-briefings/sn06152/](https://commonslibrary.parliament.uk/research-briefings/sn06152/)]

174 The Sutton Trust, 2020, Covid-19 and Social Mobility Impact Brief #3: Apprenticeships [accessed via: [suttontrust.com/wp-content/uploads/2020/05/Covid-19-Impacts-Apprenticeships.pdf](https://www.suttontrust.com/wp-content/uploads/2020/05/Covid-19-Impacts-Apprenticeships.pdf)]

The Government should introduce a time-limited wage subsidy for 16 to 24-year old apprentices. It should focus on this group because school leavers face a sparse jobs market, and young adults are particularly susceptible to unemployment or being furloughed.<sup>175</sup> It should set this subsidy at 75 per cent of wages. This would significantly de-risk the investment while retaining buy-in from employers (and incentivising them to wage bargain, which would temper wage inflation). There should be a ceiling, equivalent to the average pay for a level 6 apprenticeship (£17,875),<sup>176</sup> which too would help deflect potential inflationary effects associated with a subsidised offer. To minimise ‘fire and rehire’, any employer who, after the scheme’s announcement, made an apprentice redundant during the scheme’s lifecycle, would no longer be able to benefit from it. If the government wanted to limit spending, it could restrict the subsidy to occupations where there are skills gaps and shortages.

### 3.3.4 Create a fairer system that supports more young people

The mix of apprenticeships has, in recent years, been leaning away from school leavers and younger individuals, and more heavily towards older (and increasingly often highly skilled) individuals. In addition, almost a fifth of levy-paying employers rebadge training or accredit existing skills.<sup>177</sup> While our apprenticeships system should play a part in re-skilling established workers, it must not crowd out opportunities for people who are about to join the market – particularly during the pandemic, which is rapidly extinguishing their prospects.

Accordingly, individuals who hold an existing degree-level qualification should not be able to draw down on apprenticeship funds to undertake a degree-level apprenticeship (including funds from the new non-levy budget we propose above). These individuals should, instead, have access to student finance to support the costs of their degree-level apprenticeships. The Government should also fully fund the training costs associated with 16 to 18-year old apprentices; all pupils are now obliged to remain in education or training until they are 18 and it should support the educational development of apprentices during this time.

### 3.3.5 Harness the Government’s role as an enormous public sector employer

The Government has extraordinary leverage over training opportunities in the public sector. In 2017, it issued a public sector target for apprenticeships: between 1 April 2017 and 31 March 2021, public sector bodies in England with 250+ staff should aim to employ at least 2.3 per cent of their headcount as new apprentices each year (averaged over the four-year period). The latest available statistics suggested that many public bodies would have to make up significant ground to achieve this; in 2017/2018, just 11 per cent of them had met this goal.<sup>178</sup>

---

175 Learning and Work Institute, 2020, Emergency Exit: How we get Britain back to work, [accessed via: [learningandwork.org.uk/news-and-policy/introduce-plan-for-jobs-to-prevent-great-depression-levels-of-unemployment](https://learningandwork.org.uk/news-and-policy/introduce-plan-for-jobs-to-prevent-great-depression-levels-of-unemployment)]

176 IDR, 2020, Pay Benchmarker [accessed via: [www.incomesdataresearch.co.uk/resources/news/apprentice-salary-data-nowavailable-in-pay-benchmarker](https://www.incomesdataresearch.co.uk/resources/news/apprentice-salary-data-nowavailable-in-pay-benchmarker)]

177 YouGov, 2019, B2B Omnibus Survey, conducted between 7–16 October 2019. Total sample size was 2,022 senior decision makers. Fieldwork was undertaken between 7–16 October 2019. The survey was carried out online. The figures have been weighted and are representative of British business size.

178 DfE, 2018, Public sector apprenticeships in England: 2017 to 2018 [accessed via: [www.gov.uk/government/statistics/publicsector-apprenticeships-in-england-2017-to-2018](https://www.gov.uk/government/statistics/publicsector-apprenticeships-in-england-2017-to-2018)]

There are plenty of ways the Government could hoist numbers up to a healthier level. It could, for instance, promote apprenticeships to fill public-sector vacancies – for example, in nursing and teaching. It could also harness major infrastructure projects, including plans to expand high-speed broadband, rebuild schools, develop green buses and deliver HS2. Many of the jobs associated with these projects would be well suited to the apprenticeship model. And where the government contracts out to private providers, it could promote apprenticeships in terms of its offer. Given that it spends £255 billion a year on procurement,<sup>179</sup> there is substantial opportunity here.

### 3.3.6 Introduce a learning and skills tax rebate with more generous returns for investing in lower-skilled employees and qualifications that meet skills needs

Employer-led training was already stagnating before the pandemic. Almost half of employers wanted to roll out more training, but prohibitive costs topped the list of reasons why they did not.<sup>180</sup> If propensity to invest was fragile, then, just think what the looming recession will do to it. The Government should urgently stimulate employer-led skills development.

It should do this by introducing a ‘learning and skills tax rebate’, and should target this towards low skilled employees and qualifications that meet skills needs. This is because lower-skilled workers are particularly vulnerable to job displacement<sup>181</sup> and because employer-led training is far more accessible to higher qualified individuals (in 2017, employees who had a degree or equivalent were almost four times more likely to have received job-related training in the three months prior to survey than those with no qualifications).<sup>182</sup>

We already offer employers research and development (R&D) tax credits, and the mechanism that exists for employers to claim R&D tax credits could be refined to bolt on training credits. We should operate a sliding scale of tax support so that profitable firms get more generous relief than less profitable firms. And we should offer SMEs more relief than larger employers, as large employers are more likely to offer training than SMEs are. The current R&D tax credit/relief system wraps both of these principles into its offer.

### 3.3.7 Get everybody up to speed on basic skills

In 2018, over a third of working-age adults in England were only qualified to level 2 (GCSE-equivalent) or below, and around 6 million adults in England did not have a full

179 House of Commons Library, 2018, Public procurement and contracts [accessed via: <https://commonslibrary.parliament.uk/research-briefings/sn06029/>]

180 DfE, 2018, Employer Skills Survey 2017: England and local toolkit, [accessed via: [gov.uk/government/publications/ employer-skills-survey-2017-england-and-local-toolkit](http://gov.uk/government/publications/employer-skills-survey-2017-england-and-local-toolkit), tables 160 and 161]

181 ONS, 2017 [accessed via: [ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/the-probability-of-automation-in-england/2011-and-2017](http://ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/the-probability-of-automation-in-england/2011-and-2017)]

182 ONS, 2017, Characteristics and benefits of training at work, UK: 2017, [accessed via: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/characteristicsandbenefitsoftrainingatworkuk/2017](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/characteristicsandbenefitsoftrainingatworkuk/2017)]

level 2 qualification.<sup>183</sup> Low qualifications make unemployment more likely,<sup>184</sup> depress earning potential,<sup>185</sup> and undermine the home learning environment.<sup>186</sup>

Prior to 2012/13, the Government offered a range of financial support for adults who were studying full level 2 and 3 qualifications, provided they did not already have them. However, it has since retracted some of that support. These qualifications boost wages, and the taxpayer benefits from them: for every pound of public money spent on full level 2 qualifications, the return to the economy is £21, and £16 for full level 3 qualifications.<sup>187</sup> The Government should reinstate fee grants for employed 24+ learners who are studying towards their first full level 2 or 3 level qualifications, where courses meet emerging skills needs.

Learners aged 19 to 23 years old, who already hold full level 3 qualifications, should also get support to re-skill by completing other level 3 qualifications. We know that younger workers' jobs are particularly fragile in the context of the pandemic<sup>188</sup> and the Government should do all it can to help them retrain where necessary. To ensure a good return on public investment, the Government should target courses that meet skills needs in our economy.

## Our recommendations

### 1. Fully realise the enormous potential that exists in our apprenticeships system

There are a number of things the Government could do to make apprenticeships more effective: remove the cap on government-funded training for SMEs and introducing a non-levy budget for training; introduce a time-limited wage subsidy for new 16 to 24-year-old apprentices; rebalance our longer-term offer so that it supports more young people; and harness the Government's role as an enormous public sector employer.

### 2. Introduce a learning and skills tax rebate

This must also offer employers more generous returns for investing in lower-skilled employees and qualifications that meet skills needs.

### 3. Improve the base skills level

We should support adults who lack full level 2 or 3 level qualifications to take courses that meet emerging skills needs.

---

183 CSJ analysis of NOMIS data: ONS, 2020, Annual Population Survey, [accessed via: [nomisweb.co.uk/home/detailedstats.asp?resume=no](https://nomisweb.co.uk/home/detailedstats.asp?resume=no), Definitions of NVQ used in analysis, accessed via: [nomisweb.co.uk/articles/937.aspx](https://nomisweb.co.uk/articles/937.aspx)]

184 DfE, 2016, Qualifications in the population, Economic activity by level of highest qualification held by people aged 19 to 64 in England: April 2015, accessed via: [gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey](https://gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey)

185 DfE, 2016, Qualifications in the population, [accessed via: [gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey](https://gov.uk/government/statistical-data-sets/fe-data-library-qualifications-in-the-population-based-on-the-labour-force-survey). Mean Hourly Wage by Level of Highest Qualification Held in England: April 2015]

186 OECD, 2016, Building skills for all: a review of England, pg 27 [accessed via: [oecd.org/unitedkingdom/building-skills-for-all-review-of-england/](https://oecd.org/unitedkingdom/building-skills-for-all-review-of-england/)]

187 BIS, 2015, Measuring the Net Present Value of Further Education in England. BIS Research Paper Number 228, pg 5 [accessed via: [assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/435166/bis\\_15\\_323\\_Measuring\\_the\\_Net\\_Present\\_Value\\_of\\_Further\\_Education\\_in\\_England.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/435166/bis_15_323_Measuring_the_Net_Present_Value_of_Further_Education_in_England.pdf)]

188 Learning and Work Institute, 2020, Emergency Exit: How we get Britain back to work [accessed via: [learningandwork.org.uk/news-and-policy/introduce-plan-for-jobs-to-prevent-great-depression-levels-of-unemployment/](https://learningandwork.org.uk/news-and-policy/introduce-plan-for-jobs-to-prevent-great-depression-levels-of-unemployment/)]

## part two | policy four

# End homelessness and rough sleeping once and for all

### With thanks to:

Lord Best, former Chair of the CSJ Housing Commission

Louise Green, CEO, The Brick Homeless Shelter

Tim Wates, Trustee of Wates Family Enterprise Trust and Director, Wates Group

## 4.1 Solving homelessness must be a national priority

**We will build, build, build. Build back better, build back greener, build back faster.**

**Boris Johnson, Prime Minister**

The CSJ has long argued that a secure, safe and affordable home is vital to reversing the key pathways to poverty. As we look to recover from Covid-19, this will be more important than ever – to build a stronger society, fuel our economic recovery, and to empower the most vulnerable families in the years ahead.

**A place to call home is the difference between an opportunity to turn your life around, or not.**

**CSJ Alliance charity service user**

The Government's response to the Covid-19 crisis vindicated the CSJ's belief that addressing the most complex issues we face *is* possible, with sufficient political will. The epidemic prompted rapid action on rough sleeping, effectively transforming the government's target to end rough sleeping by the end of the parliament to the end of the weekend. Housing support in the welfare system was substantially lifted to more closely match private market rental costs.<sup>189</sup> And the Prime Minister announced 'the most radical reforms of our planning system since the end of the Second World War' to speed up the delivery of beautiful, low-carbon homes.

<sup>189</sup> See Valuation Office Agency, Local Housing Allowance, 2020

We now need to build on these foundations. That means grappling with chronic rough sleeping in all the complexity that it demands. It means being unafraid to address the deep-rooted disorder and inefficiency in our housing system. In just the last year, housing benefit payments cost the taxpayer an eye-watering £22 billion, more than the Home Office and Ministry of Justice departments' spending combined.<sup>190</sup>

But it also means being as ambitious as those who came before. As we emerge from this crisis, the Government should revive the One Nation Conservative tradition of truly affordable housebuilding, through a generational programme of beautiful, green, high-quality homes. This would equip people on low to modest incomes with a springboard to home ownership and generate up to £120 billion per year through industry activity and much needed job creation.<sup>191</sup>

In this chapter, we set out the CSJ's vision for rough sleeping, homelessness and housing policy reform.

## 4.2 Ending rough sleeping is well within our grasp – if we choose to act

**The problem is not insurmountable. It is just a question of political will.**

CSJ, *Housing First: housing-led solutions to rough sleeping and homelessness*

**The Government has committed to ending rough sleeping by 2025... it can be done in 2020 if we make it the priority it deserves to be.**

Dame Louise Casey

People living on the streets were in some ways uniquely exposed to Covid-19 as it spread. Guidance to 'Stay at Home' rang hollow for those without one. Similarly, instructions to self-isolate were often impossible to follow for people staying in busy night shelters. Compounding these risks, rough sleepers are three times more likely to suffer from a chronic health problem than the general population, including respiratory conditions.<sup>192</sup>

The Government acted swiftly and decisively to shield this vulnerable cohort. Indeed, in an unprecedented move, the Communities Secretary instructed local authorities to house *everyone* identified as sleeping rough, as well as those in night shelters and hostels where it was not possible to self-isolate, with immediate effect. This initiative, supported by a £3.2 million fund to reimburse local authorities, resulted in nearly 15,000 people in England moving into self-contained emergency accommodation, including hotels and B&Bs.<sup>193</sup> The 'innovation and resolve' to house those at risk has since been highlighted as one of the key successes in the Government's Covid-19 response.<sup>194</sup>

---

190 HM Treasury, *Public Expenditure Statistical Analyses*, 2018

191 National Housing Federation, *Capital grant required*, 2019

192 Groundswell, *Room to Breathe*, 2016

193 MHCLG, 'Dame Louise Casey calls on community partners to help with Covid-19 rough sleeping crisis', 2020

194 *Inside Housing*, 'Why the coronavirus crisis should spark the beginning of the end for homelessness', April 2020

The response has been incredible... in the ten years I've been at Streets2Homes, I don't think I've ever done a monthly report where there's been a zero on the rough sleeper count, which is what I did last month for the first time ever.

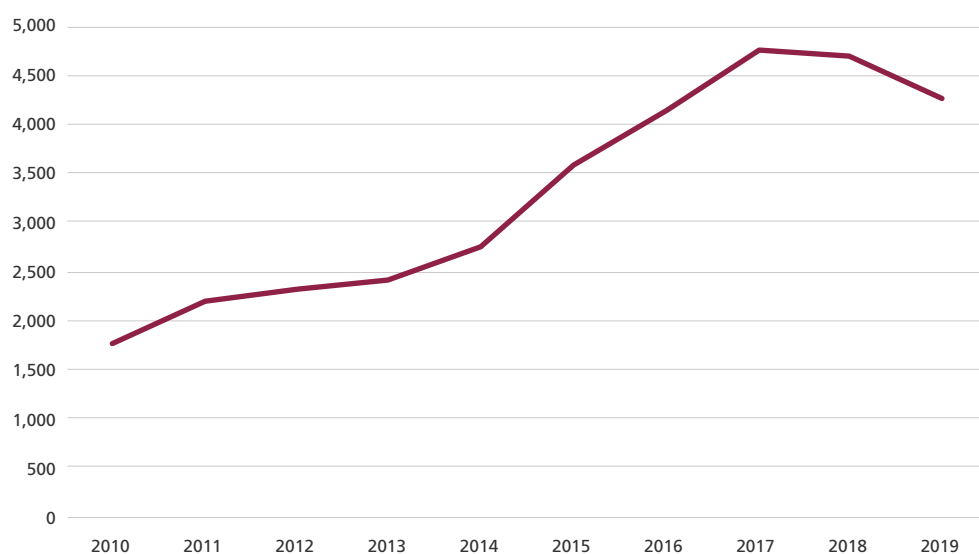
CSJ Alliance charity, Essex

This action likely saved many lives. Yet there remain risks as we exit lockdown that these gains are not maintained.

The Government has brought forward substantial budgetary commitments to deliver some 6,000 new supported housing units in an admirable attempt to sustain the gains made early on. However, as argued in recent CSJ research, hotels, B&Bs and hostels do not provide a long-term solution to rough sleeping, given the complex needs and issues rough sleepers face.<sup>195</sup> As part of Britain's recovery from Covid-19, we must grapple with rough sleeping in all its complexity and sustain the political will that drove the Government's immediate response. Only then can we end it for good.

Rough sleeping has risen at an alarming pace in the past decade – there were 4,266 sleepers on any given night at the last official count – though recent initiatives have successfully brought the numbers of sleepers on the street down. In 2019, the total rough sleeper count was 141 per cent higher than in 2010.

Figure 17: Rough sleepers in England (prior to the Covid-19 initiative)



Source: Ministry of Housing, Communities and Local Government, 2020.

Note that people sleeping rough are defined as those in open air locations and tents. The snapshot does not include people in hostels or shelters, or sofa-surfers.

Beyond the physical health problems already mentioned, the rough sleeper population exhibits a range of support needs. In London, 41 per cent of rough sleepers have a support need relating to drug use, having risen from 31 per cent in 2015–16.<sup>196</sup> Half of all rough

<sup>195</sup> Centre for Social Justice, *Housing First*, 2017

<sup>196</sup> CHAIN, *Annual Report*, 2019

sleepers have a mental health need (50 per cent), and a large proportion report alcohol issues (42 per cent).<sup>197</sup> Adding an additional layer of complexity, a large proportion of the capital's rough sleepers are originally from outside the UK (51 per cent), though this varies significantly across the country.<sup>198</sup>

As such, emergency accommodation alone is not enough to sustainably keep people off the streets. A wealth of evidence demonstrates that sustained positive outcomes are achieved by reducing the amount of time people experience the destabilising and marginalising effects of prolonged homelessness.<sup>199</sup>

The CSJ has looked closely at internationally proven models of success. For the most complex cases of individual rough sleeping, we have been struck by the effectiveness of the Housing First model, which prioritises rapid access to a stable home, from which rough sleepers then begin to address other support needs through coordinated wrap-around support and case management. Importantly, someone does not have to prove they are 'housing ready' to access permanent housing, as historically has been a precondition for advancing out of hostel accommodation.<sup>200</sup>

International evidence demonstrates the success of Housing First in achieving high levels of tenancy sustainment rates from 70 per cent to over 90 per cent.<sup>201</sup> One study in New York reported that 88 per cent of chronically homeless people using a Housing First model were stably housed after five years, compared to only 30 per cent to 50 per cent of people who used the 'staircase' model, which required them to demonstrate that they were 'housing ready' before moving into permanent accommodation.<sup>202</sup> In Helsinki, Finland, where the Housing First model has been put to widespread use, rough sleeping has been all but eradicated.<sup>203</sup>

Recent Housing First pilots in the UK bear similarly encouraging results. Evidence from Scotland's five Housing First pathfinder areas shows that 92 per cent of the 252 people housed by March 2020 had sustained their tenancies.<sup>204</sup> A 2015 evaluation of Housing First pilots in England found a 15 per cent drop in the number of clients reporting poor physical health and an 18 per cent drop in those reporting poor mental health.<sup>205</sup> A feasibility study showed potential savings of up to £5 million for the taxpayer if Housing First was implemented at scale in the Liverpool City Region alone.<sup>206</sup>

---

197 Ibid

198 Ibid

199 Busch-Geertsema, V, 'Does Re-Housing Lead to Reintegration?' *Innovation: The European Journal of Social Science Research*, 18(2), pp.205–26

200 Homeless Link, *Housing First in England*, 2016

201 Pleace N & Quilgars D, 'Improving Health and Social Integration through Housing First', A Review, York: Centre for Housing Policy, 2013

202 Tsemberis S, 'Housing First: Ending Homelessness, Promoting Recovery and Reducing Costs', in Gould E & O'Flaherty B, *How to House the Homeless*, New York: Russell Sage Foundation, 2010

203 Y-Foundation, *A Home of Your Own: Housing First and ending homelessness in Finland*. Keuruu, 2017

204 Crisis, *Home for All*, 2020

205 Ibid

206 Ibid



### 4.3 We need to correct the long-term chaos of our housing system

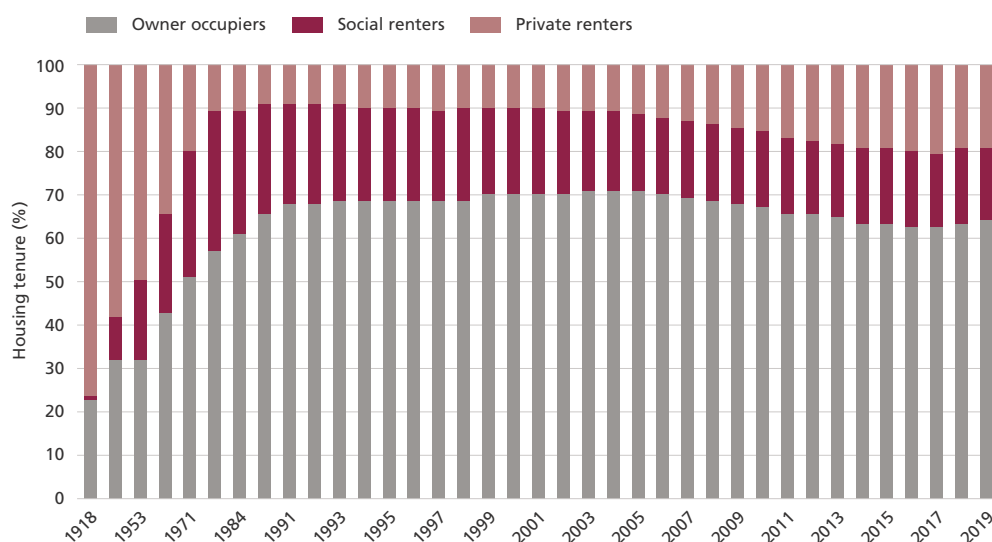
**Housing benefit will underpin market rents... If people cannot afford to pay that market rent, housing benefit will take the strain.**

Sir George Young, then Housing Minister, 1991

The unique risks of Covid-19 and the transmission of the disease shone a light on inequalities in our housing system. Guidance to isolate, for example, was more difficult to follow for those living in private rented homes, which are six times more likely to be overcrowded than owner-occupied homes.<sup>207</sup> Measures to stop the spread sparked renewed attention towards the thousands of families and children 'locked down' in tiny and inadequate temporary accommodation.

Yet the disorder in our housing system is much deeper than that brought to the surface by Covid-19. As shown in the findings of the CSJ Housing Commission, chaired by Lord Best, several decades of rising housing costs paired with the chronic lack of new, truly affordable homes across multiple governments has put prolonged pressure on the finances, family stability and mental health of thousands of low- to modest-income households in Britain.<sup>208</sup> Yet, as we shall see, we have also reached a position where the public finances are strained by policymakers' reliance on inefficient 'demand side' spending on housing benefit to help cover rent payments, which has taken priority over supply-side investment in the housing our country desperately needs.

Figure 18: Housing tenure in England (%)



Source: Ministry of Housing, Communities and Local Government, various.

207 MHCLG, *English Housing Survey 2018–19, 2020*

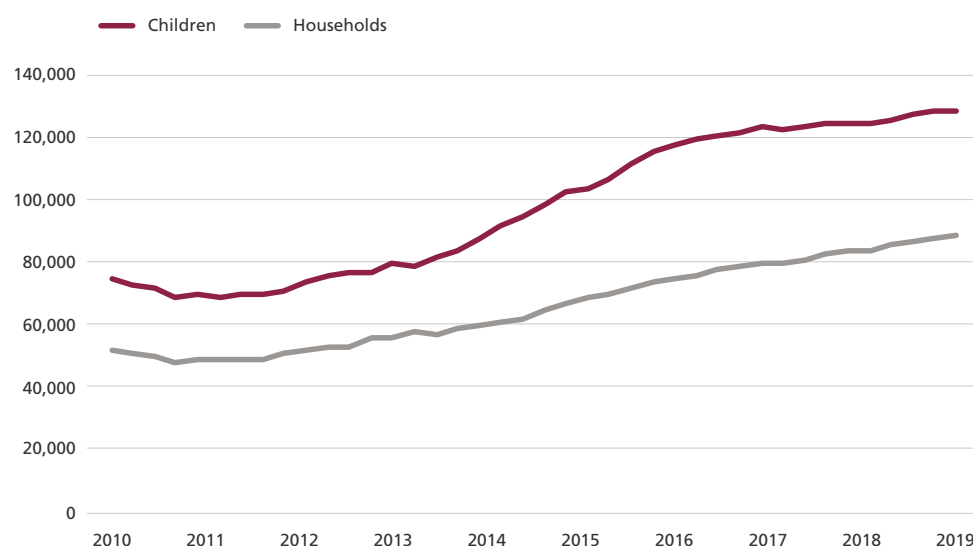
208 CSJ, *A Social Justice Housing Strategy, 2018*

This context has seen an explosion of (particularly low-income) households living in the private rented sector (PRS). In two decades, the PRS doubled to 4.6 million households.<sup>209</sup> The number of working age private renters in 'relative low income' has more than doubled from 1.2 million to 2.9 million in 2018–19.<sup>210</sup>

Meanwhile, the private rented sector continues to require a significantly larger proportion of income for housing costs (41 per cent on average) than owner occupiers and social renters (18 per cent and 30 per cent, respectively).<sup>211</sup> Recent research has identified that as many as 40 per cent of private renters in the bottom half of income distribution contribute more than 40 per cent of their income to rent.<sup>212</sup>

As affordability issues in the (comparatively less secure) private rented sector have become more intensive, the termination of a private rental contract has become the principal trigger for statutory homelessness in England.<sup>213</sup> In the absence of sufficient social housing supply, the number of families housed in 'temporary' accommodation (including hotels and B&Bs) has reached 88,000.<sup>214</sup> Within these households are 128,000 children, whose education and mental health is known to suffer from the associated disturbance to their lives.<sup>215</sup>

Figure 19: Households and children in temporary accommodation



Source: Ministry of Housing, Communities and Local Government, live table TA1.

209 MHCLG, English Housing Survey, Headline Report, 2018–19

210 CSJ analysis of DWP, HBAI, 2020

211 MHCLG, English Housing Survey, 2016/17, Annex Table 1.13

212 Affordable Housing Commission, *Defining and measuring housing affordability – an alternative approach*, 2019

213 MHCLG, Live Table 774\_England

214 MHCLG, Live table TA1 TS

215 MHCLG, Households in temporary accommodation, 2018; Shelter, *Chance of a Lifetime*, 2006

The extent of this lack of supply is best illustrated by the recent reliance on office block conversions, which have been criticised for creating the ‘slums of the future’ because they do not have to meet minimum size standards or light standards required of homes going through the conventional planning process.<sup>216</sup>

Yet the growth of the private rented sector has also made government spending on housing hugely inefficient. As housing benefit is, on average, 25 per cent more expensive in the private rented sector, the annual spend doubled to £9.3 billion between 2005–06 and 2015–16 as the sector grew, averaging £8.5 billion every year thereafter.<sup>217</sup> This outlay provides little bang for its buck. While it is welcome that housing benefit has been lifted to more closely match the 30th percentile of market rents, this spending produces scant additional housing, whereas that going to social landlords can be reinvested into new homes. Simultaneously, the scarcity of new social homes has left councils reliant on expensive private providers of temporary accommodation, with total annual costs rising to £1.1 billion.<sup>218</sup>

The social, economic and fiscal costs of this arrangement are no longer possible to justify. The post-Covid-19 recovery provides a unique opportunity to boldly address the disorder in the housing system.

#### 4.4 We must introduce a generational programme of truly affordable housebuilding

**This moment also gives us a much greater chance to be radical and to do things differently – to build back better, to build back bolder.**

**Boris Johnson, Prime Minister**

Historically, truly affordable rented homes have comprised a core element of new housing supply.<sup>219</sup> Indeed, the often-quoted Conservative manifesto of 1951 declared housing to represent the ‘first of the social services’, second only to national defence. The Government should be commended for pledging 180,000 new affordable homes over the next five years, but in the fallout of the Second World War, governments of both stripes empowered councils and housing associations to build an average of 126,000 low-cost rented homes per year. Since the late 1980s, however, ‘social housing’ delivery has fallen dramatically. By 2019, social housing delivery was just under 6,400.<sup>220</sup> Today, the Government spends over four times as much on housing benefit as it does on investment in truly affordable homes.<sup>221</sup>

216 Research commissioned by the Government found ‘permitted development’ conversions to ‘create worse quality residential environments... in relation to a number of factors widely linked to the health, wellbeing and quality of life of future occupiers’. Dr Ben Clifford, et al., *Research into the quality standard of homes delivered through change of use permitted development rights*, MHCLG, 2020

217 Ibid

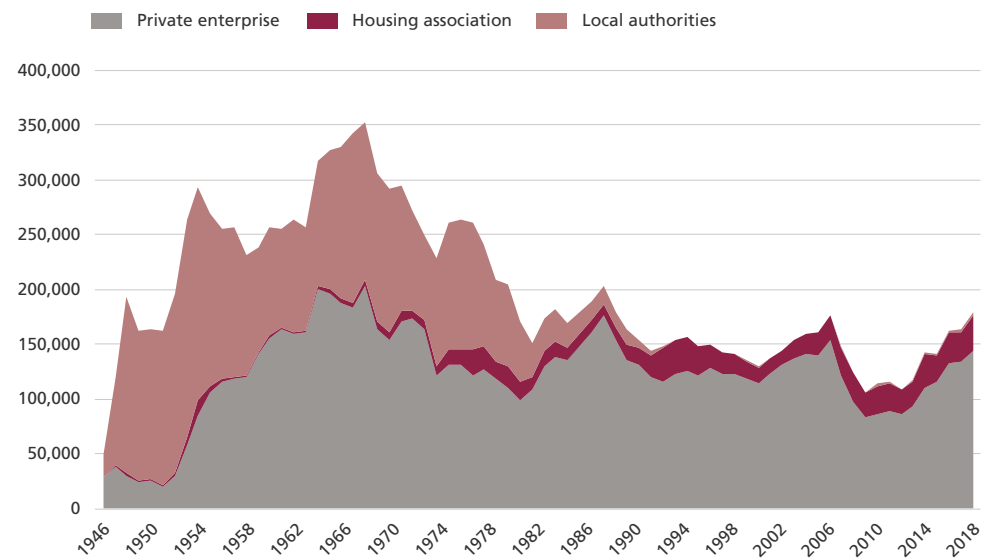
218 Shelter, *Cashing In*, 2020

219 See CSJ, *A Social Justice Housing Strategy*, 2018 for discussion on the recent innovation of the ‘affordable rent’ product.

220 MHCLG, Live table 1000

221 Capital Economics, *Increasing Investment in Social Housing*, 2019

Figure 20: Permanent dwellings completed in England



Source: Ministry of Housing, Communities and Local Government, live table 244.

Note that this includes new builds only. For data on net additions including, for example, conversions, see live table 118

In post-Covid-19 England, the need to revive the One Nation tradition of affordable housebuilding could not be greater. The last recession saw a 25 per cent increase in homelessness. Savills estimates that the halted construction and recession caused by Covid-19 will slash the number of new homes being built by 85,000 this financial year – with social homes to fall to their lowest number since the Second World War (4,300). Meanwhile, the 1.1 million people on council housing waiting lists in England is sadly set to rise as people lose their homes due to rent arrears and continued job losses.

Alongside welcome reforms to the planning system, the Government needs to build, build, build. Investing in 145,000 new affordable homes (including both social homes and Shared Ownership homes) per year would add an estimated £120 billion to the economy each year through the creation of jobs in construction and other industries regionally, according to one study.<sup>222</sup> Increased productivity, family formation, employment gains and educational attainment have all been highlighted as additional advantages of moving away from a reliance on housing benefit towards a long-term investment model in low-cost rented homes.<sup>223</sup>

Critically, investing in low-cost rented housing is not at odds with an active pro-homeownership agenda. As Sir Oliver Letwin's review of buildout revealed in 2018, increasing the number of affordable homes on large sites is key to accelerating the rate at which new homes are released into the mainstream market, to the benefit of frustrated would-be homeowners and low-income renters alike.<sup>224</sup>

222 National Housing Federation, *Report: Capital grant required*, 2019

223 Affordable Housing Commission, *Making Housing Affordable Again*, 2020

224 Sir Oliver Letwin MP, *Independent Review of Build Out: Final Report*, MHCLG 2018

This was reinforced more recently in a study by Litchfields that found that schemes with more affordable housing (more than 30 per cent) built out at close to twice the rate as those with lower levels of affordable housing as a percentage of all units on site.<sup>225</sup> The inflow of low-cost rented homes would better equip people with the foundations to save for a deposit on average wages; the Right to Buy scheme could be developed in the forthcoming Social Housing White Paper to help people move dynamically towards part-ownership of their homes.

The CSJ believes firmly that a truly affordable home can be the springboard to a better life and put them on a journey to home ownership.<sup>226</sup> Social landlords spend some £70 million a year on employment support, second only to the Department for Work and Pensions (DWP).<sup>227</sup> But new social housing should not only be aspirational, but green and beautiful. As shown by Norwich's Goldsmith Street development, which was recently highlighted by the Housing Ministry and won the prestigious Stirling Prize for its Passivhaus ultra-low energy homes and design, these are eminently achievable ambitions for Britain in the 2020s.

## Our recommendations

### 1. A national Housing First programme to end rough sleeping for good

The Government has shown repeatedly that it is determined to maintain the successes of its unprecedented rough sleeping initiative. The Government should advance on its plans to sustainably end rough sleeping through a National Housing First Programme. The Government should create new funding stream to enable Housing First accommodation and tenancies for the cohort of 16,500 people (identified by Crisis and Homeless Link) who would be eligible for the scheme,<sup>228</sup> as well as those housed during lockdown, whose rough sleeping would be ended through the programme. Previous CSJ research has shown that a £100m National Housing First Programme would be cost-neutral over the course of a parliament, owing to savings made through reduced demand on social services as tenancies are sustained.

### 2. The Government should revive the One Nation Conservative tradition of truly affordable housebuilding

This would address the social injustices in our housing system, help to level up the country and produce the fiscal, economic and social benefits critical to our recovery from Covid-19.

For the first two years, the Government should bring forward its £12.2 billion affordable housing programme and harness the low costs of borrowing to enable housing associations and councils to build an additional 50,000 social rented homes a year.

<sup>225</sup> Litchfields, *Start to Finish*, 2020

<sup>226</sup> CSJ, *Social Housing and Employment*, 2018 and MHCLG, *Social Housing Green Paper*, 2018.

<sup>227</sup> APPG Housing and Social Mobility, *Background Research Paper*, 2020

<sup>228</sup> Homeless Link and Crisis, *Implementing Housing First across England, Scotland, and Wales*, 2018

Beyond this first phase, the programme should be scaled up to 80,000 additional truly affordable homes year, paid for by reforming the Section 106 and Community Infrastructure Levy system to capture more of the astronomic rises in land value that occur when planning permissions are granted (as has been suggested recently by former chancellor Sajid Javid).

As much as £10 billion of 'uplift' value goes uncaptured every year as agricultural land becomes 'residential' via the planning system, some of which should be used to fund the homes and jobs our society and economy desperately need. Councils, moreover, should be enabled to borrow more cheaply to build and to keep 100 per cent of Right-to-Buy receipts to invest into this programme.

In a new programme of research and policy, the CSJ will outline detailed policy proposals for truly affordable housing policy in the 2020s.

## part two | policy five

# Solve the problem of problem debt

### With thanks to:

Rt Hon the Baroness Morgan of Cotes

Rt Hon Damian Hinds MP, Member of Parliament for East Hampshire

Yvonne Fovargue MP, Member of Parliament for Makerfield, Chair of the Debt and Personal Finance APPG

## 5.1 We have a problem with problem debt

Problem debt ruins lives. It creates overwhelming stress that filters down from parents their children, hindering learning. It causes untold damage to relationships, mental health and employment.<sup>229</sup> It can be both a cause and consequence of alcohol and other substance misuse. The evidence leaves no doubt: problem debt is a key pathway to poverty, and one that costs the economy some £8.3 billion annually in lost jobs, reduced productivity, and homelessness.<sup>230</sup>

The Covid-19 crisis has had profound implications for household debt. Three-quarters of people who seek debt advice do so due to an income shock, typically caused by illness or redundancy.<sup>231</sup> While billions of pounds were paid off of credit cards and personal loans during lockdown's restrictions on expenditure (a record £7.4 billion in April 2020 alone),<sup>232</sup> these benefits were not spread equally, with four million people estimated to have fallen behind on rent, council tax or a telecoms bill in the same period.<sup>233</sup>

But we should not forget that an estimated nine million people were already 'over-indebted' prior to March 2020.<sup>234</sup> As demonstrated in the CSJ's (CSJ) 2020 report, *Collecting Dust*, problem debt in Britain was already at intolerable levels before the virus arrived in the UK.<sup>235</sup> As we respond to the unique challenges of Covid-19, the Government should use this opportunity to address the problem debts that often lurk beneath the surface.

229 Citizens Advice, *A Debt Effect?*, 2016

230 StepChange, *Cutting the Cost of Problem Debt*, 2014

231 See Part 1 for analysis of the scale of recent job losses

232 Bank of England, *Money and Credit: April 2020*, 2020

233 Citizens Advice, *Near the Cliff Edge*, 2020

234 Money and Pensions Service (MaPS), *Over-Indebtedness*, 2020

235 CSJ, *Collecting Dust*, 2020

In this chapter, we show how debts owed to the Government and public bodies constitute the primary source of ‘problem debt’ today and advance the case for a Debt Management Bill to level up public sector debt collection – realising savings for the taxpayer and providing a route out of debt for those in its grip.

## 5.2 The stranglehold of debts owed to government

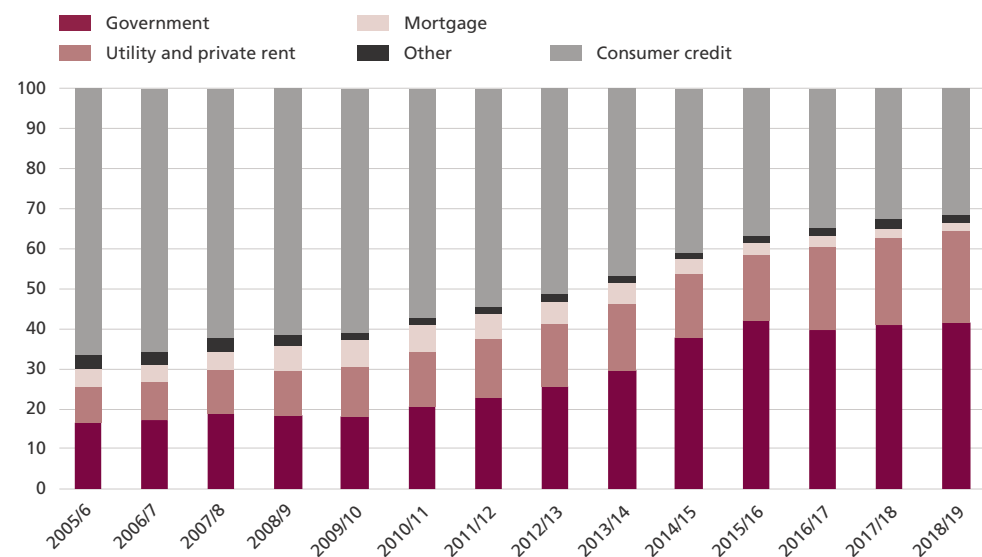
In recent years, we have seen a remarkable rise in the number of people presenting to charities and support services with problematic debts owed to government authorities (rather than consumer debts for, say, credit cards or personal loans).

This quickly became apparent in recent focus group sessions run by the CSJ with the clients and staff of grassroots charities across the UK. As one debt advisor at a CSJ Alliance charity in Leicester recently told us: *‘We’ve had quite a major shift in the client base and the types of debts they had. Council tax arrears are on virtually every client we have... Previously they would have been to doorstep lenders and payday loan companies.’*

To gain a better understanding of the changing prominence of different types of problem debt, we conducted a new analysis of Citizens Advice data. The findings are stark. Our analysis reveals that in 2018–19 there were a total of 474,500 government debt issues reported,<sup>236</sup> compared to 221,300 issues relating to credit cards and loans.

Indeed, around 42 per cent of debt problems reported to Citizens Advice in 2018–19 related to debts owed to the Government or other public bodies. This has doubled from 21 per cent in 2010–11. By comparison, issues relating to consumer credit debts fell from 57 per cent to 32 per cent over the same period.

Figure 21: Debt problems reported to Citizens Advice (%)



Source: CSJ analysis of Citizens Advice data.

<sup>236</sup> Including council rent and tax arrears, benefit and tax credit overpayments, Social Fund loans, magistrates’ courts fines, parking charges and child maintenance arrears.



At a more granular level, the national debt charity StepChange found that council tax arrears were the single most common debt for the 635,000 new clients who contacted them in 2019.<sup>237</sup> Callers to National Debtline with benefit and tax credit overpayment issues (another key type of government debt) rose from 3 per cent of callers in 2010 to 16 per cent in 2018.<sup>238</sup>

'Life shocks', such as a relationship breakdown, ill health or job loss, are a major cause of debt and these trends that have been accelerated by the Covid-19 crisis. Survey data indicates that an estimated 820,000 households missed a council tax payment in the early stages of lockdown.<sup>239</sup> People in the 'shielded' group were four times as likely to fall into arrears compared to those not at increased risk from the virus.<sup>240</sup>

Though the Government has clearly made significant progress in clamping down on exploitative high-cost lending in recent years and better-off households have paid off record amounts of consumer credit in recent months,<sup>241</sup> the rising prominence of problematic government debts is of particular concern, because the consequences for those unable to pay are much more severe. In debt advice language, these are therefore categorised as 'priority debt'.

CSJ analysis of (pre-lockdown) departmental accounts found the total outstanding personal debt owed to government authorities (including council tax arrears, rent arrears and welfare debt) to be £13.5 billion.<sup>242</sup>

### 5.3 Public sector debt collection too often lags behind

Despite the increasing number of people presenting with problematic government debts, the public sector has failed to keep pace with the range of advances made in private sector debt collection. Advances in private sector debt collection over the last decade show that proportionate and individually tailored repayment plans can provide a sustainable 'route out' for those in debt while improving rates of recovery (albeit over a longer period). Yet, as we shall see, many public bodies continue to pursue debt using outmoded methods that not only represent poor value for money, but actually *worsen* the initial debt issue.

Evidence submitted to the CSJ from debt organisations and charities suggests that collection practices in the private sector (including financial services, utility companies and debt collection agencies) look very different today compared to those of ten years ago. As one respondent put it: *'Debt collection practices in the commercial sector have changed dramatically... from engagement with the money advice sector, to how they communicate with customers, attitudes towards people in vulnerable circumstances, and affordability assessments for repayment plans.'*

237 StepChange, *Statistics Yearbook*, 2020

238 Money Advice Trust (MAT), *Stop the Knock*, 2019

239 StepChange

240 Ibid

241 Guardian, *Consumers repay record 7.4bn of debt amid Covid-19 lockdown*, June 2020

242 CSJ, *Collecting Dust*, 2020

Debt collection methods have become more sophisticated, with reform galvanised by the establishment of the Financial Conduct Authority (FCA) and its Treating Customers Fairly guidelines.<sup>243</sup>

For example, the private sector has since largely moved away from in-year collection targets. Indeed, according to credit management company Arum, 'debt collection targets based on cash collected have disappeared.'<sup>244</sup> According to the Credit Services Association, it is now recognised widely that cash targets are flawed in that they do not take into account the financial situation of individual debtors. For example, if someone is struggling to pay their bills, adding further charges does not increase their capacity to do so. Arriving at a more sophisticated understanding of a client's financial situation allows debt collectors to establish realistic repayment programmes that ultimately secure better returns (albeit over a longer period) and a reduction in defaults.

As one private debt collector said when talking to the CSJ: *'It's not rocket science. Make an arrangement that takes into account a customer's financial circumstances and guess what? It sticks. And unless something else bad happens to the customer, they keep paying.'*

Indeed, consumer credit companies save an estimated £82 million annually by setting affordable repayment plans that require fewer interventions, and by offering wider support to debtors.<sup>245</sup>

Multiple governments have redoubled efforts to collect debt, directing close attention to both their methods and outcomes. While a number of organisations and official investigations have examined the Government's approach, the findings are rarely complimentary. In 2017, the Treasury Committee judged government debt collection to be 'uncompromising' compared to private sector practice.<sup>246</sup> The National Audit Office (NAO) concluded in 2018 that 'the Government lags behind'.<sup>247</sup>

Recent CSJ research confirms that this sadly remains the case. Initiatives led by the Cabinet Office, noted later in this chapter, have led to some departments (such as HMRC) improving practices through partnerships with private companies regulated by the FCA. But there is no imperative for other departments, councils or public bodies to follow suit. As a result, different departments and bodies adopt very different practices of varying efficiency and support for debtors.

As the Credit Services Association told the CSJ: *'Central government departments have differed in the way they collect debt over recent years, ranging from imposing time limits on repayment plans to taking advantage of rules that allow for benefit deductions for debt repayment the customer cannot afford. This may reflect differing functions or corporate attitudes to the task in hand, but for the person in debt, differences in approach to debt collection can be highly problematic.'*

---

243 Citizens Advice, in evidence to the CSJ

244 Arum, *Using private sector methods to address the public sector's problem debt crisis*, 2018

245 Baker Tilly, *Social Impact Evaluation*, 2014

246 House of Commons Treasury Committee, *Household finances: income, saving and debt*, 2018

247 NAO, *Tackling Problem Debt*, 2018

## 5.4 We must move on from outmoded debt collection practices

Two key examples of outmoded practice are of particular pertinence because they are related to the two major sources of personal debt owed to government: council debts, such as for tax or parking fines, and welfare debts, including benefit debts and historical tax credit overpayments. We explore these below.

### 5.4.1 Council debt collection

**I'm pushing forward work to make the council tax collection system fairer and more efficient, so people are treated with compassion, while services get the funds they need.**

**Rt Hon Rishi Sunak MP, then Local Government Minister**

Council tax debts are the most common issues seen by debt advisors, with outstanding council tax arrears standing at £3.2 billion before lockdown.<sup>248</sup> Contrary to learning in the private sector, 'in-year' debt recovery targets and league tables incentivise inefficient practices. Correspondingly, councils widely use measures in The Council Tax (Administration and Enforcement) Regulations 1992, which entitle them to rapidly escalate one missed council tax payment into an annual bill.<sup>249</sup> Within nine weeks, households struggling to meet the average Band D payment of £175 can therefore become liable for a £1,750 payment, before being subject to a range of additional and punitive charges that exacerbate the initial debt issue.<sup>250</sup>

Councils' growing reliance on the enforcement of debt have made them the largest user of bailiffs in the country today (referring 2.6 million debts in 2018–19).<sup>251</sup> Yet this remains an ineffective and costly approach. For every £1 of debt referred only 27p is returned.<sup>252</sup>

Evidence submitted to the CSJ suggests that this approach is not cost-effective as the harm it causes debtors generates real (though hard to quantify) spill-over costs and the activity itself makes the recovery of the debt more difficult. The NAO found that additional charges (such as for Liability Orders or bailiff fees) made it 15 per cent to 29 per cent 'more likely to make debts harder to manage', increasing levels of depression and anxiety in the process.<sup>253</sup>

Notable exceptions exist. In Hammersmith & Fulham and several other councils, it has been demonstrated that adopting more sensitive and sophisticated debt collection techniques increases rates of recovery.<sup>254</sup> A growing body of evidence from the experience of these councils shows that establishing an *affordable* repayment plan (as per examples in commercial debt collection and standard debt advice practice) can 'generate

248 Ministry of Housing, Communities and Local Government (MHCLG), Collection rates and receipts of council tax, 2019

249 The Council Tax (Administration and Enforcement) Regulations 1992

250 PayPlan, *Keeping Court for the Last Resort*, 2019

251 Money Advice Trust, *Stop the Knock*, 2019

252 Citizens Advice, *Council tax debt collection isn't efficient or effective*, 2019

253 NAO, *Tacking Problem Debt*, 2018

254 CSJ, *Collecting Dust*, 2020

a predictable long-term revenue stream for the council'.<sup>255</sup> But these efforts push against the grain of the regulations and create an environment that entitles councils to rapidly escalate debts.

#### 5.4.2 Debt collection in the welfare system

In parallel, debt collection in the welfare system could be brought up to speed. Despite the welcome temporary suspension of Universal Credit (UC) debt repayments announced in response to the Covid-19 crisis, large benefit deductions for historical 'welfare debts' have now reactivated. The principal cause of large deductions (currently at 30 per cent of a UC standard allowance) is the £6.2 billion worth of overpayment debt born of systemic design flaws in the legacy benefits system, which is in the process of being transferred to the Department for Work and Pensions from HM Revenue and Customs.

As has been noted recently by the former Work and Pensions Secretary Sir Iain Duncan Smith, this is old debt that should never have been arranged for transfer – 61 per cent of it is more than three years old, and as much as 16 per cent dates back further than 2011.<sup>256</sup> Yet significant deductions will continue to be made to new claimants' awards without these being subject to affordability assessments or attempts to understand the personal circumstances of the debtor (in stark contrast to standard practice in the private sector). Indeed, almost a fifth (470,000 households) of all UC claimants prior to the surge in applicants caused by the Covid-19 crisis were currently having 30 per cent or more of their standard allowance deducted.<sup>257</sup>

The regulations today permit a blanket 30 per cent maximum approach to deductions without any recourse to household affordability.<sup>258</sup> Guidance does state that 'if a claimant is experiencing financial hardship they can ask for a financial hardship decision to reduce the amount of welfare debt they are currently repaying'.<sup>259</sup> However, this is a discretionary process, which is applied only at the request of a claimant.

Focus group and written evidence gathered by the CSJ suggests that many third-party debt organisations and charities have difficulty securing debt relief due to financial hardship, for reasons that include having to have the claimant in question on the phone during the negotiation, and procedural hold-ups that frustrate the process. Yet this should not even need to be the case as affordability assessments could be made by government on a systematic basis (as they commonly are in the private sector).

### 5.5 The Government has made progress – but it remains piecemeal

Despite the clear and ongoing disparity between the advances made in private sector debt collection and the public sector, we should recognise the progress that has been made in a number of areas.

---

255 Intrum, *Leading the way in Local Authority Ethical Collections*, 2019

256 APPG on Universal Credit, *What needs to change in Universal Credit?*, 2019

257 IfG, *Universal Credit*, 2020

258 DWP, *Guidance: Universal Credit: debt and deductions that can be taken from payments*, visited 2020

259 DWP, *Benefit Overpayment Recovery Guide*, v.2.40, 2019

The Cabinet Office's Fairness Group has moved the issue of government debt collection up the political agenda and established a set of (non-binding) Fairness Principles, based largely on the FCA's Treating Customers Fairly guidelines. The Ministry of Housing, Communities & Local Government (MHCLG) is reviewing the (sadly non-statutory) guidance for local government debt collection nationally, in order to spread good practise where it exists.

During lockdown, at the Department for Work and Pensions (DWP), the rate at which benefit deductions can be applied was reduced, and welfare debt deductions were paused for a three-month period. This revealed a tacit recognition of the strain put on the finances of households already living on low incomes via large welfare debt deductions. It also built on the Government twice accepting that benefit deductions need to be reduced (first from 40 per cent to 30 per cent, and to 25 per cent from 2021). It should now make the quantum leap by replacing an arbitrary 'maximum' approach with individual and household affordability assessments to calculate deductions, as practised in the private sector.

In short, progress has been made, but reform has been piecemeal and lacks legislative force. In response to the CSJ's 2020 report, *Collecting Dust*, the Cabinet Office announced a welcome review into cross-government debt collection.<sup>260</sup> We hope it will pursue an ambitious path forward.

## 5.6 The path forward is a Debt Management Bill

Establishing a smarter approach using practices seen widely in the private sector would vastly improve cross-government debt collection – producing savings for the taxpayer and a clearer route out for those in problem debt. This will be of vital importance in our national recovery from Covid-19.

To achieve this, we're calling for a Debt Management Bill.<sup>261</sup> The Bill would put the Fairness Principles on a statutory footing and embed an updated approach to debt collection, while amendments to existing legislation would complete a package of reform.

## Our recommendations

The Government should introduce a Debt Management Bill and amend the pertinent secondary legislation to:

### 1. Enshrine a set of binding Fairness Principles in law

These principles should be drawn from improvements made in the private sector, and all government debt collection agencies would comply with them. This would put the Cabinet Office's Fairness Principles onto a statutory footing and establish a centralised debt aggregator in order to reach a 'single customer' view of debtors.

<sup>260</sup> WQ, 41976 [accessed via: [parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2020-05-01/41976/](https://parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2020-05-01/41976/)]

<sup>261</sup> The Bill was proposed to the Chancellor in a letter published on 11 June by 55 cross-party MPs and peers.

## 2. Transform local government debt collection and amend and update the Council Tax (Administration and Enforcement) Regulations 1992

This should include putting an end to residents becoming liable for their entire annual bill upon one missed payment, and revising performance tables so that they incentivise a more efficient repayment of debt.

## 3. Transform debt collection in the welfare system

We want to see historical welfare debts born of issues in the tax credit system addressed, and benefit deductions made using affordability assessments. The maximum level at which third-party debts and benefit overpayments can be recovered should be capped at 10 per cent of the standard allowance.

## 4. Transform debt collection in the justice system

This would remove the sanction of imprisonment for council tax debt in England by repealing Regulation 47 of the Council Tax Regulations 1992, and introduce an independent bailiff regulator.

**For the full set of recommendations, see *Collecting Dust*, CSJ, 2020.**

## part two | policy six

# Set up a national network of Family Hubs

### With thanks to:

Patrick Myers, Senior Ambassador – Reducing Parental Conflict Programme, Department for Work and Pensions

Emily Nickson-Williams, Strategic Lead: Early Help & Relational Practice, Rochdale Borough Council

Ed Vainker, Executive Principal, Reach Academy Feltham and Director of Reach Children's Hub, Reach Academy Trust

Dr Samantha Callan, Parliamentary Adviser to Lord Farmer and Senior Fellow, Centre for Social Justice

Jamie MacLean, Principal, Dover Christ Church Academy

Michael Wilson, Headteacher, St Edmund's Catholic School, Dover

## 6.1 We must use this crisis moment to make a public commitment to family

Covid-19 has stoked an unprecedented demand for family support services as parents struggle with money worries, health concerns, relationships under stress and lack of food. School closure has reduced social connections and upset routines for children and deprived the most vulnerable among them of support they had come to rely on. The Children's Commissioner has reported that thousands of children 'have fallen off the radar' during this period.<sup>262</sup>

Lockdown, in doing away with traditional referral pathways, has piled up mental and physical health issues that will require urgent post-crisis attention. In addition to those already vulnerable, the crisis with its attendant complications will have created a whole new group of children and families with acute needs. This spike in demand coincides with unprecedented pressure on local authority funding, especially with regard to children's services. The pressure, which predates the Covid-19 pandemic, is so great that nine in ten councils are now over-spending their children's social care budget. Local-authority spending on children's social care has increased by 4.3 per cent over one year to reach £8.8 billion.

262 [www.childrenscommissioner.gov.uk/publication/tackling-the-disadvantage-gap-during-the-Covid-19-crisis/](https://www.childrenscommissioner.gov.uk/publication/tackling-the-disadvantage-gap-during-the-Covid-19-crisis/)

Yet while Covid-19 has increased the challenges faced by parents, children and their relatives, it has also revealed the family to be the greatest buffer against these developments. Whether virtually or in shared quarantine, family members have drawn strength from each other.

Family ties have proved crucial to recovery at an individual level; they can be key for a national recovery, too. The most positive legacy of this crisis must be a greater public policy commitment to the family.

## 6.2 It's time to roll out the Family Hub concept

In light of the constructive role family has played during the Covid-19 crisis, the Family Hub concept could not be more timely.

The Children Act 1989 called for a 'family centre', where parents and children could find support in one accessible setting. The Centre for Social Justice (CSJ) introduced the idea of a 'family hub' in 2007, where parents, mainly through self-referral, could access information and integrated support services.

In a recent discussion paper,<sup>263</sup> the Children's Commissioner suggested that Family Hubs could signpost to a range of services: new parent services; childcare and early education; couple and relationship support; the Troubled Families programme; and employment and training programmes.

The Family Hub, like the 2,000 children's centres, would offer a suite of joined-up services as part of a drive to close the achievement gap for children from disadvantaged backgrounds, while providing universal services for local families. Family Hubs, however, would extend the remit of children's centres, acting as a one-stop cradle-to-career provision.

In the last Budget, the Government confirmed its commitment to the Family Hub concept with a grant of £2.5 million for research into it.

Already, a Family Hubs Network<sup>264</sup> of more than 130 hubs has developed nationally. These hubs have grown organically as a response to local needs and deliver, in a variety of settings, integrated services, including Early Years, parenting classes and adult learning. By offering universal as well as specialist support, the hubs succeed in attracting families who might otherwise steer clear of targeted services, to avoid stigma.

The network's ethos, co-founder Dr Samantha Callan told us, is a bottom-up movement that is relationship-centred. Early intervention is also at the core of the existing hubs, which emphasise the need for a preventative approach rather than damage control.

---

263 [www.childrenscommissioner.gov.uk/2016/10/28/now-is-the-time-to-talk-about-turning-childrens-centres-into-family-hubs-to-support-children-in-need/](http://www.childrenscommissioner.gov.uk/2016/10/28/now-is-the-time-to-talk-about-turning-childrens-centres-into-family-hubs-to-support-children-in-need/)

264 <https://familyhubsnetwork.org.uk/>



## 6.3 How Family Hubs have responded during the crisis

We have been told that many Family Hubs have responded to the crisis and the needs of their community. The case studies below serve to illustrate this response.

### 6.3.1 Rochdale Council

The Early Help team at Rochdale Council community hubs instantly recognised that their staff would need to be proactive. Within 24 hours of lockdown, they had distributed a leaflet to every resident of the borough with helpline numbers for support services, such as special needs children and child abuse. Jo Manfred, lead in Early Help in School Service, told how her team contacted over 100 local children who were shielding to ensure they had medicines and food. They accessed data for 1,400 children through the local authority and, reaching them through schools, signposted families to the right services. The team also expanded its online capacity from the onset of the crisis.

**What has been troubling is that we are hearing from families we have never heard from before.**

**Jo Manfred, Early Years Lead in School Services, Rochdale**

### 6.3.2 Westminster Council

Over a five-week period, the family hubs in Westminster had 500 contacts with local families, offering advice on housing, children's additional needs, food parcels and antenatal support. The council has also introduced a new Family Navigator role. The navigators will work in small teams alongside wider, multi-agency teams to be the first point of contact for families coming into the Family Hub for advice and support. The navigators are proactive in finding ways to engage families that would benefit from but do not visit Family Hubs, through outreach and home visiting, for example. They assess the needs of families and assist them by coordinating the relevant services that will support the family's needs.

**Universal access is crucial, because it offers a stepping-stone for vulnerable families.**

**Stephen Bywater, Westminster Family Hub**

### 6.3.3 Reach Academy Feltham

A week before lockdown, the hub, which grew out of the school, convened 35 local actors and institutions to listen to their concerns and fears about Covid-19. From this, the hub was able to identify three key areas of concern: ongoing access to food and essential items; financial information and advice; and mental health and wellbeing information. Hub leads formed working groups across the community, still operating now, to address these issues.

Hub teams facilitated collaboration with four food banks with a single referral route and by sharing resources to meet the increasing demand. Hub teams undertook community organising training with Citizens UK, which also informed the second phase of their listening, which was to 390 parents and young people about their experiences to inform response effort.

**Listening to our community is crucial to tailoring our response. While delivering standard offers, a hub must be flexible enough to meet the needs of the locality.**

**Mei Lim, Director, Early Learning Community Feltham, Reach Children's Hub**

#### 6.3.4 Dover Christ Church Academy

During lockdown, Jamie MacLean's school staff undertook outreach to the more vulnerable families, telephoning the school's 400 vulnerable students every day. Staff undertook to telephone the rest of the students on a weekly basis. Many supports, such as parenting classes, moved online.

**A lot of our parents were wary of schools and wary of engaging with social services, but virtual learning has allowed us to step into their homes. Their suspicion has been replaced with relief.**

**Jamie MacLean, Principal, Dover Christ Church Academy**

Lockdown tested Family Hubs, and they succeeded in meeting the needs of local parents. This has established a trend that is likely to continue beyond the pandemic.

## 6.4 How Family Hubs will function

A recent webinar<sup>265</sup> showcased three Family Hubs, in Doncaster, the Isle of Wight and Essex. It was attended by a variety of stakeholders, including the local authority, the NHS, private enterprises and the voluntary sector, and looked at a variety of governance models. Despite local variations, all hubs aimed to meet local needs and shared seven key components, summarised below.

### 6.4.1 Building a spirit of collaboration between providers

Successful integration of services rests on strong collaboration between providers. The silos mentality that all too often makes for duplication of interventions and leads to poor communication between service providers and between services and families does not afflict hubs where co-location promotes cooperation.

This allows hubs to direct resources more effectively,<sup>266</sup> reducing management time and costs, while achieving efficiencies.<sup>267</sup>

---

<sup>265</sup> [mutualventures.co.uk/catch-up-on-our-family-hubs-webinar/](https://mutualventures.co.uk/catch-up-on-our-family-hubs-webinar/)

<sup>266</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/535811/ECCE\\_Strand\\_5\\_Value\\_for\\_Money\\_Analysis\\_Research\\_Brief.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/535811/ECCE_Strand_5_Value_for_Money_Analysis_Research_Brief.pdf)

<sup>267</sup> [www.suttontrust.com/wp-content/uploads/2018/04/StopStart-FINAL.pdf](http://www.suttontrust.com/wp-content/uploads/2018/04/StopStart-FINAL.pdf)

Hubs can identify issues earlier and more quickly. This preventative approach is especially significant in catering for the 390,000 children in need.<sup>268</sup> Links can be drawn between the use of Early Years support and lower probabilities of truancy, school exclusion, having SEN (special education needs), smoking, youth and adult crime, mental health problems (such as depression) and poorer physical health. In the same way, the use of parent support and specialist parent/family support services can be linked to higher educational attainment.

#### 6.4.2 Strengthening communities

Hubs, while relying on the local authority to deliver specialist services, can deliver universal services through volunteers, thereby harnessing community engagement and building social resilience to fuel our national recovery.

#### 6.4.3 Making efficient use of community venues and facilities

By using schools, libraries and church halls as settings, hubs are able to ‘sweat assets’ that are under-used or not used at all during certain hours in the day and months in the year.

#### 6.4.4 Setting out clearer long-term outcomes

Leaders of existing hubs agree that they must deliver well-defined, long-term outcomes, measured in terms of children’s attainment of developmental milestones. This is not to prescribe uniformity or to compromise their local, grassroots nature, but clarity of purpose – what is the problem we are trying to solve here? – will enable greater impact.

#### 6.4.5 Gathering meaningful data

Hubs can collect data about families and children, which can be mined to map their needs and those of the wider community. From this basis, it will be easier to achieve better integration of health and education data.

#### 6.4.6 Offering professional opportunities

Family Hub provisions introduce opportunities for local staff to upskill and expand their roles. Continuous Professional Development (CPD) could be offered to staff working in Private, Voluntary and Independent (PVI) settings. The hubs could also serve as training centres for apprenticeships in administration and mental health and social work; provide work and opportunities within communities; and link in with existing providers and universities.

They could also offer employment support to job-seekers. Evidence submitted to the All-Party Parliamentary Group (APPG) on Children’s Centres<sup>269</sup> demonstrated that accessing employment support through a centre was much less intimidating than attending a Jobcentre Plus or formal institution. For example, Derby City Council found that contact rates achieved when running appointments through a Children’s Centre never fell below 81 per cent, while average attendance rates at the local Jobcentre Plus office were usually around 40 per cent to 50 per cent.

268 [www.google.com/search?q=children%27s+commissioner+vulnerability+report+2019&rlz=1C1GCEA\\_enGB890GB890&oq=children+s+commissioner+vulnerable&aqs=chrome.2.69i57j0l7.12310j0j7&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=children%27s+commissioner+vulnerability+report+2019&rlz=1C1GCEA_enGB890GB890&oq=children+s+commissioner+vulnerable&aqs=chrome.2.69i57j0l7.12310j0j7&sourceid=chrome&ie=UTF-8)

269 <https://democracy.leeds.gov.uk/documents/s150825/app%208%20appg%20on%20childrens%20centres%20-%20family%20hubs%20report%20final.pdf>

### 6.4.7 Growing partnership funding

Family Hubs rely on partnership funding. Stakeholders variously include the local authority, local schools (or MATs – Multi-Academy Trusts), the charitable sector, local business and local universities. Charities with strong links in the community and links to statutory services and volunteer groups are best placed to run the hub efficiently: their community ethos would ensure the hub meets local needs while still adhering to a well-defined framework.

## 6.5 How much does a Family Hub cost?

Given their very different settings, services and governance, the running cost of a Family Hub is difficult to calculate. Below, we cost a sample school-based hub, with three focuses – Early Years (EY), family and community support (FCS) and youth provision (YP).

Salary, three co-ordinators for EY, FCS, and YP	£40,000 (each)
Salary, director and administrator	£80,000 (total)
Rent, school building	£12,000
Programme budgets	£50,000
Impact evaluation budget	£25,000
Running costs	£30,000
<b>TOTAL</b>	<b>£317,000</b>

## Conclusion

Families deserve localised, effective, integrated support. Communities deserve interventions that, in targeting their most vulnerable residents, are timely and preventative rather than reactive. Family Hubs, with doors wide open to all, remove the stigma from access to services and restore a sense of common purpose: working beside one another to gain our full potential.

## Our recommendations

### 1. The Family Hub must be codified

Family Hubs must specify core offers. Without prescribing a uniform approach, all hubs should offer a combination of universal and targeted support. This removes stigma attached to targeted programmes where parents seek help in raising children or settling couples conflict. The Covid-19 crisis has exposed targeting support as a blunt instrument: many of the parents who appealed for assistance had not done so previously.

Hubs must offer digital as well as face-to-face services. These have been shown to be popular with parents during lockdown, especially with fathers.<sup>270</sup>

270 [www.eif.org.uk/report/Covid-19-and-early-intervention-evidence-challenges-and-risks-relating-to-virtual-and-digital-delivery](http://www.eif.org.uk/report/Covid-19-and-early-intervention-evidence-challenges-and-risks-relating-to-virtual-and-digital-delivery)

Hubs must address Early Years need by offering prenatal care, birth registration, health check-ups (weight and height), parenting skills classes, etc. Prenatal care and birth registration provide an opportunity to observe and engage parents, and to spot early warning signs of potential difficulties. Given the costs of family failure, this identification will save taxpayers' money down the line.

Hubs must specify school readiness and secondary school transition, and reduce the gap between CIN and CIC (children in need and children in care) and the rest. In addition to these 'hard outcomes', hubs should aim to deliver qualitative outcomes that underpin progress, such as reducing parental conflict or improving parenting skills.

## 2. A formal system of Family Hub evaluation must be established

Process and outcome evaluations should be an integral part of every hub's agenda. To monitor impact, baseline measurements should be taken when families register and outcomes recorded. Baseline interim and exit measurements using a Family Outcome Star should be recorded for families accessing targeted group services. This allows for targeting services to those most at risk. The key variables are: the number of families accessing the hub; the number of contacts; and programme, admin, and database costings. A process evaluation allows implementation to be assessed and reviewed, for maximum impact.

## 3. Family Hubs must formalise reach and access

Key to the success of the Family Hub model is reach and access. In establishing itself, the hub must undertake a listening exercise that engages the local community, including those individuals and groups who are vulnerable and risk marginalisation. The listening exercise is crucial to meeting the needs that arise out of local issues, from county lines to autism. Special care must be taken to include groups within the community – the elderly, lone parents, BAMEs – that can feel marginalised, in order to ensure their voices are heard in developing a hub network.

To ensure reach, hubs should introduce an outreach worker – as many schools have done – to operate 'Home Safety Checks' (checking on fire alarms, fire extinguishers, railings etc.) and to contact the most hard-to-reach families.

## 4. The funding model must be collaborative

Family Hubs would rely on multiple stakeholders and partnership funding, as outlined above. Where feasible, they would access local and central government funding.

One example of this is found in Chelmsford, where, in 2017, the Family Hub secured funding to build a family space in the local library from the Community Infrastructure Levy (Chelmsford City Council) and the Libraries Opportunities for Everyone Innovation Fund, which is managed by Arts Council England on behalf of the Department of Culture, Media & Sport DCMS and the Libraries Taskforce.

Another potential funding source is the Department for Education's academies programme. The department, which has encouraged the growth of academies, could propose that three to four schools (not necessarily from the same MAT) come together in a locality to

form a Family Hub. Selection criteria for the school to host a Family Hub would include size, accessibility and strong links with statutory services and health services. Each hub would be eligible for access to a central government funding pot.

## part two | policy seven

# Support our most vulnerable children through education

### With thanks to:

Anna Smee, Chief Executive, Youth Futures Foundation

Dame Rachel De Souza, Chief Executive, Inspiration Trust

Mark Vickers, Chair, The National MAT CEO Network for Alternative Provision and SEND

Richard Cronin, Principal, Everton Free School

## 7.1 The Covid-19 crisis poses a great threat to vulnerable children

In a post-Covid context, the most vulnerable young people will be at greater risk of unemployment and criminal and sexual exploitation. Here's how we propose to stem the tide.

Youth unemployment could potentially rise to 2 million after the Covid-19 crisis, according to the Institute for Fiscal Studies.<sup>271</sup>

In this context, the Youth Employment Group<sup>272</sup> – a cross-sector coalition formed in response to rising concerns about the economic and educational impact of Covid-19 on young people – have rightly highlighted the need to plan for the long-term.

As a country, we need to think strategically about how to provide training and job opportunities for young people over the coming decade, while the economy recovers.

One group who are disproportionately likely to become NEET (Not in Education, Training or Employment) are young people who have been excluded from school. Almost one in two children educated in alternative provision (AP) schools becomes NEET immediately

271 Institute for Fiscal Studies, April 2020. *Sector shutdowns during the coronavirus crisis: which workers are most exposed?* [accessed via: [www.ifs.org.uk/publications/14791](http://www.ifs.org.uk/publications/14791)]

272 The Youth Employment Group was formed by Impetus, Youth Futures Foundation, Youth Employment UK, the Institute for Employment Studies and The Prince's Trust to bring together key leaders and experts around the youth employment sector in the context of Covid-19.

after their GCSEs.<sup>273</sup> This compares to one in 20 from mainstream schools.<sup>274</sup> In the worst performing local authority, Bedford, only 34 per cent of excluded pupils sustain a positive post-16 destination.<sup>275</sup>

These young people face a multiplicity of vulnerabilities. Children in AP are 13 times more likely to have a social worker than their peers in mainstream schools.<sup>276</sup> What's more, 81 per cent have an identified special educational need, compared to 14 per cent in mainstream.<sup>277</sup> And 43 per cent are eligible for free school meals: three times more than in mainstream.<sup>278</sup> There is also a strong correlation between areas of high deprivation and areas where a high proportion of the school population is educated full-time in AP.<sup>279</sup>

This cohort is also highly vulnerable to gang-related activity and childhood criminal exploitation. Compared to other children assessed by children's services, children associated with gangs are five times more likely to have experienced a permanent exclusion and six times more likely to have been in AP in the previous academic year.<sup>280</sup>

The Centre for Social Justice (CSJ) believes we must act rapidly to lessen the longer-term effects of Covid-19 on this group of children.

Covid-19 has seen an encouraging upswing in partnership working and communication between AP schools, local authorities, local communities and central government.<sup>281</sup>

The Government should seize the opportunity offered by this new era of collaboration to embed AP schools more fully into the continuum of education provision. There are two areas where this partnership working could be significantly strengthened: children leaving AP, and children at risk of entering AP.

## 7.2 We must support the transition of vulnerable children into college

AP school leaders are legitimately worried that children will not transition easily into college next year. To address this concern, the Government has announced a one-off £7 million fund to support children from AP to progress into post-16 education or training.<sup>282</sup>

---

273 Centre for Social Justice, May 2020. *Warming the cold spots of alternative provision: A manifesto for system improvement* pg 57

274 Department for Education, 2019. *Statistics: destinations of key stage 4 and 16 to 18 (KS5) students*

275 Centre for Social Justice, May 2020. *Warming the cold spots of alternative provision: A manifesto for system improvement* pg 33

276 Department for Education, June 2020. *Guidance: Alternative Provision: Year 11 transition funding*

277 Centre for Social Justice, May 2020. *Warming the cold spots of alternative provision: A manifesto for system improvement* pg 65

278 Department for Education, 2019. *Schools, Pupils and their Characteristics 2019*

279 CSJ analysis of Index of Multiple Deprivation data and pupil numbers from Department for Education Schools, Pupils and their Characteristics release 2019

280 National Youth Agency, May 2020. *Gangs and exploitation: A youth work response to Covid-19* (p.17)

281 Education Select Committee virtual meeting, 22 April 2020. *Oral evidence: The impact of Covid-19 on Education and Children's Services* [accessed via: <https://committees.parliament.uk/oralevidence/299/pdf/>]

282 Department for Education, June 2020. *Guidance: Alternative provision: Year 11 transition funding*



This is a welcome support package, but without robust evaluation and integration into a long-term plan, it risks being little more than a sticking plaster. This need is established in existing research, with AP schools feeling that support on a more ‘long-term basis’ is important, but that there are often ‘funding/resource issues’.<sup>283</sup>

Given the consistently high NEET rates for this group, we propose that this fund should be evaluated, and funding be allocated for successful interventions to be replicated in future years.

Post-16 transition support is patchy across England, with only some local authorities specifically funding AP schools to do NEET prevention work.<sup>284</sup> CSJ research found that half of AP schools do not have any staff dedicated to post-16 transition support, and that of those that do, three in four are employed in this role part-time.<sup>285</sup> Yet government research has found this to be a crucial area for AP schools to focus on.<sup>286</sup>

The Government has made a start in seeking evidence on what works. The 2018–20 AP Innovation Fund invested £1 million into supporting successful transitions from AP to education, training and employment. Three pilot programmes in Salford, Nottingham and Sutton were run over two years, with the evaluations due in 2020.

The Government could do three things to promote the effective use of the £7 million transition fund:

### 1. Fast-track the evaluation of Year 1 of the AP Innovation Fund programmes

The information learned from the first year of the pilot programmes could be used to offer guidance to AP schools about how they might most effectively use this funding in autumn 2020.

### 2. Commission an evaluation of the £7 million transition fund

The Government has responded to the Covid-19 pandemic by releasing large amounts of money as support packages. It would be a waste not to evaluate the effectiveness of this spend and use it to improve outcomes for this cohort in the long term.

Moreover, given the incomplete evidence that will surely arise from the AP Innovation Fund, for which only one year of reliable data is likely to be available rather than the planned two years, this is an opportunity to complement that data.

The findings of the interventions could have wider value. These are the children most likely to become NEET after their GCSEs. If we can find out what works for them, that knowledge could be applied year-on-year to dramatically reduce NEET figures across the country.

This could include the identification and replication of existing, highly effective models.

283 Department for Education, 2018. *Investigative research into alternative provision*. IFF Research Ltd., pg 155

284 Ibid pg 154

285 Centre for Social Justice, 2020. *Post-16 Support in Alternative Provision* [accessed via: [www.centreforsocialjustice.org.uk/library/post-16-support-in-alternative-provision](http://www.centreforsocialjustice.org.uk/library/post-16-support-in-alternative-provision)]

286 Department for Education, 2018. *Investigative research into alternative provision*. IFF Research Ltd., pg 154

In Blackpool – the local authority with the highest rate in England of children educated in AP – the Pathways for All Programme has seen 90 per cent of AP leavers remain in their post-16 destination after six months, and all others are still working with their coaches to achieve and sustain their next destination. No child has left the programme NEET.<sup>287</sup>

Another example is the MCR Pathways model, which has seen looked-after children in Scotland progressing to college, university or employment at 86 per cent relative to a national average of 50 per cent of a directly comparable group.<sup>288</sup> There is significant overlap between children in care and the alternative provision population.<sup>289</sup>

The Youth Futures Foundation (YFF) is prepared to evaluate this fund. What it would require from the Government is a willingness to work alongside the YFF to facilitate this. The YFF is an independent, not-for-profit organisation set up to tackle youth unemployment by uncovering and sharing effective approaches to getting young people into meaningful work – particularly those facing the greatest barriers to their progression. A core part of their remit is to build the evidence base around ‘what works’, to ensure future generations have access to fulfilling work, no matter their background. By using the YFF’s expertise in evaluating programmes designed for young people, the £7 million transition fund could become a powerful initiative to improve our collective understanding of how best to support this cohort.

### 3. Commit to multi-year funding for post-16 transition from AP

Based on the evidence about what works, the Government could then guarantee that successful transition programmes would be funded into the future.

## 7.3 It’s time to introduce specialist sixth forms for the most vulnerable

The increase in the education participation age in 2015 was not accompanied by statutory duties to provide post-16 AP.

Fifty-two AP schools (17 per cent of total state-maintained secondary AP) are currently registered to offer some kind of education for 16 to 19 year-olds.<sup>290</sup> Not all receive additional funding to do so, and any that they do receive is provided at the local authority’s discretion.<sup>291</sup>

These AP sixth forms are unevenly distributed around the country: the South East and Greater London each have 12, whereas the North East and the North West each have only three. This is despite the North West having the highest rate and number of children ending year 11 in AP.<sup>292</sup>

---

287 Blackpool Opportunity Area, Educational Diversity, and Right to Succeed, June 2020. *Pathways for All – Programme Summary*. (Document shared with CSJ)

288 MCR Pathways, 2018. *Impact report 2018* [accessed via: <https://mcrpathways.org/wp-content/uploads/2018/06/GCC-Impact-Report-Final.pdf>]

289 Department for Education, June 2020. *Guidance: Alternative provision: Year 11 transition funding*

290 Department for Education, 2019. *Schools, Pupils and their Characteristics 2019*

291 House of Commons Education Committee, 2018. *Forgotten children: alternative provision and the scandal of ever increasing exclusions*, pg 38

292 CSJ analysis of Department for Education data

The House of Commons Education Committee, in their 2018 inquiry into AP, found ‘a clear will in the sector to provide post-16 education to pupils in alternative provision, and a clear need on the part of pupils’.<sup>293</sup> It urged the Government to fund not only transition support for further education colleges, but also AP sixth forms.

More recently, CSJ research has found that nine in ten AP schools that don’t currently provide post-16 AP recognise the demand and want to provide it.<sup>294</sup> They estimate that around half of their year 11 cohort would benefit from this provision, which is approximately equivalent to the percentage that becomes NEET every year.

Given the increased risk of this pupil population becoming NEET in a post-Covid-19 context, we recommend that the Government conduct an analysis of need, and provide place funding for approximately 3,500 post-16 AP places across England, at £10,00 per place.

## 7.4 We need to stem the flow of children into alternative provision

At the other end of the AP pipeline, it is fair to assume that there may be an influx of new children into AP next year – potentially larger than normal – for two principal reasons. First, it is likely that schools will have low tolerance for transgression of new school rules around social distancing, due to health concerns. Second, with normal school routines disrupted for at least six months of this year, re-engaging some children with education will be a challenge. Disengaged learners are one of the categories of pupils that typically end up in alternative provisions.<sup>295</sup>

The CSJ polled almost 7,000 teachers and school leaders in May 2020<sup>296</sup> to ask what they think would require the most work once schools re-open fully. Secondary school teachers consider student engagement as second only to catching up on lost learning time. Pastoral care and rebuilding relationships with learners were also high on the priority list.

There are several good reasons to aim to prevent an increase in children flowing into alternative provision. Here we will look at three: student outcomes, capacity, and cost.

## 7.5 Narrowing the AP gap

Academic results for pupils who sit their maths and English GCSEs in AP are significantly worse than the results of their contemporaries in mainstream. Over the last three years, only 4 per cent of pupils educated in state-maintained AP achieved a grade 9 to 4 in maths and English.<sup>297</sup> This compares with 64 per cent of pupils across all state-funded schools (special and AP included).

293 House of Commons Education Committee, 2018. *Forgotten children: alternative provision and the scandal of ever increasing exclusions*, pg 38

294 The Guardian, June 2020. *Thousands of excluded pupils in England have no place to go in September* [accessed via: [www.theguardian.com/education/2020/jun/26/thousands-excluded-pupils-england-september-teachers-Covid-19-vulnerable-exploitation](http://www.theguardian.com/education/2020/jun/26/thousands-excluded-pupils-england-september-teachers-Covid-19-vulnerable-exploitation)]

295 Department for Education, 2018. *Alternative provision market analysis*. ISOS Partnership, pp 27–28

296 TeacherTapp survey of 6933 teachers and school leaders.

297 CSJ analysis of an FOI from the Department for Education

While good AP schools may be specialists in re-engaging children with education, they are unable to offer the full breadth of curriculum students have access to in mainstream schools.<sup>298</sup> AP schools also have fewer qualified teachers.<sup>299</sup>

Academic outcomes are not the only thing to suffer. Research has shown that exclusion leads to poorer mental health for students, compared to a control group.<sup>300</sup>

## 7.6 We have a problem with capacity

Research shows that an increased inflow of children into AP is likely to lead to more children being educated in unregistered provision of poor or unknown quality.

For example, the recent review of AP in Sheffield noted that the ‘excess of pupils’ on roll at the Sheffield Inclusion Centre (219 pupils for 170 available places) made it ‘highly reliant’ on independent providers.<sup>301</sup> The review said: *‘In addition to significant costs, this adds complexity to mapping the curriculum, monitoring progress and securing attendance.’*<sup>302</sup>

In Coventry, inspectors found that some students were being placed with external providers not due to the quality or suitability of courses, but ‘because of capacity issues at the centres’.<sup>303</sup> As a result, they reported: *‘Some pupils do not engage in these courses sufficiently well and do not sustain their placements.’*<sup>304</sup>

In its response to the Timpson Review of School Exclusion, the Government said it would announce capital funding for AP schools in the autumn 2019 spending review.<sup>305</sup> The Conservative Government’s 2019 manifesto pledged to ‘expand ‘alternative provision’ schools’.<sup>306</sup> In June 2020, the Government announced £1 billion for a new school building programme. In any case, none of this is likely to materialise in time to mitigate the negative impact of an increase in formal or informal school exclusions in the 2020/21 academic year.

## 7.7 There is budget, but not enough

The average cost of a place in alternative provision is £18,000 per year, which is drawn from each local authority’s high needs budget.<sup>307</sup> A report published by the National Audit Office (NAO) in 2019 found that the system for funding alternative provision and specialist provision was ‘not, on current trends, financially sustainable’.<sup>308</sup>

---

298 Department for Education, 2018. Investigative research into alternative provision. IFF Research Ltd, pg 99

299 Centre for Social Justice, May 2020. *Warming the cold spots of alternative provision: A manifesto for system improvement*, pg 12

300 Cambridge University Press, August 2017. *The relationship between exclusion from school and mental health: a secondary analysis of the British Child and Adolescent Mental Health Surveys 2004 and 2007*. Tamsin Ford et al.

301 Learn Sheffield, 2019. *Alternative Provision in Sheffield: A Research Study*. (Internal report shared by the local authority)

302 Ibid

303 Ofsted inspection report, June 2018. *Coventry Extended Learning Centre* [accessed via: [reports.ofsted.gov.uk/provider/22/134269](https://reports.ofsted.gov.uk/provider/22/134269)]

304 Ibid

305 Department for Education, May 2019. *The Timpson review of school exclusion: Government response* pg 20

306 Conservative manifesto 2019 [accessed via: [www.conservatives.com/our-priorities/schools](https://www.conservatives.com/our-priorities/schools)]

307 Department for Education, 2018. *Alternative provision market analysis*. ISOS Partnership, pg 6

308 National Audit Office, September 2019. *Support for pupils with special educational needs and disabilities in England*, pg 11 [accessed via: [www.nao.org.uk/report/support-for-pupils-with-special-educational-needs-and-disabilities/](https://www.nao.org.uk/report/support-for-pupils-with-special-educational-needs-and-disabilities/)]

The Government has promised an additional £780 million one-off funding package for 2020–21, but councils and Special Education Needs and Disabilities (SEND) organisations have warned this is not sufficient to make up historic deficits.<sup>309</sup> Moreover, the NAO found that pupils with SEND, who do not have Education, Health and Care Plans (EHCP) are ‘particularly exposed’. This description disproportionately applies to pupils in AP: seven in ten pupils in AP, one in ten in mainstream, and zero in special schools.<sup>310</sup>

## 7.8 We need a plan to prevent a flood of children into AP

From all the above, it seems clear that the Government, local authorities and the school community need a co-created plan to prevent a flood of children into AP. A new approach is needed, which sees upstream work prioritised and good AP schools integrated into the continuum of education provision in each local area.

A number of options exist as to how to approach this:

### 1. Incentivise mainstream schools to build partnerships

The CSJ has already called for a national fair funding formula for AP that is sufficiently generous to cover upstream work with mainstream schools.<sup>311</sup> Local AP schools and charities could bid for the outreach contract in each area, which would be allocated based on quality and outcomes.

Chessbrook Education Support Centre in Watford is an excellent example of an AP school that has flipped the traditional model to focus most of its resources on upstream work in mainstream schools, therefore reducing the need for full-time education of excluded pupils. Highly effective systems should be researched and replicated across the country, with templates of good practice published by government.

### 2. Establish in-school AP bases

In-school AP bases are another solution, especially in areas where good AP schools are lacking or are geographically dispersed. Research is sorely needed, however, into what effective practice looks like.<sup>312</sup> Moreover, high-quality training must be made available for developing teachers and leaders who are expert in educating and supporting children with complex home circumstances and those who are struggling to engage with the mainstream curriculum.<sup>313</sup>

### 3. Develop third-sector programmes

Additionally, a number of charities are trialling models to provide better support for pupils upstream, in collaboration with local state sector bodies.

309 Schools Week, January 2020. *Government's £780m SEND cash injection swallowed up by funding black holes* [accessed via: <https://schoolsweek.co.uk/governments-780m-send-cash-injection-swallowed-up-by-funding-black-holes/>]

310 Department for Education, 2019. *Schools, Pupils and their Characteristics 2019*

311 Centre for Social Justice, May 2020. *Warming the cold spots of alternative provision: A manifesto for system improvement*, pg 71

312 Ibid, pg 63

313 IPPR, 2017. *Making the Difference, Breaking the link between school exclusion and social exclusion*, pp 28–36

For example, Social Finance is working in partnership with two local authorities, Cheshire West and Chester Council and Gloucestershire County Council, to transform how the local system identifies and supports children at risk of exclusion.<sup>314</sup>

Place-based change charity Right to Succeed is facilitating a town-wide literacy programme in Blackpool, testing the hypothesis that improving literacy will improve engagement with the curriculum and ultimately, reduce exclusions.<sup>315</sup>

Education charity The Difference is developing whole-school approaches to inclusion based on an understanding of trauma in children at risk of exclusion, and training mainstream school leaders to become specialised in educating the most vulnerable.<sup>316</sup>

In areas where the quality of local AP schools is poor and expertise is lacking, support could be provided by third-sector initiatives such as these.

## Conclusion

The current crisis provides the Government with an ideal opportunity to evaluate what works in stemming the inflow into AP, and in supporting vulnerable students as they transition out of AP.

## Our recommendations

### 1. Fast-track the evaluation of Year 1 of the AP Innovation Fund programmes

This evaluation will mean AP schools can make best use of the £7 million transition fund to support their students this winter.

### 2. Commission an evaluation of the £7 million transition fund

This will determine successful interventions, which can then be replicated in the future, with the outcome that persistently high NEET rates are reduced in the longer-term.

### 3. Commit to multi-year funding for post-16 transition from AP

Multi-year funding should be put in place, based on the evidence about what works and informed by a robust evaluation of the £7 million transition funding.

### 4. Provide funding for 3,500 post-16 AP places across England every year

There is a clear need for AP sixth forms and a will to provide them, to prevent the most vulnerable young people from becoming NEET.

### 5. Design a national fair funding formula for AP

Funding should include an allocation for upstream work with mainstream schools. Local AP schools and charities could bid for this contract, which would be allocated based on quality and outcomes.

#### 6. Conduct and support research into effective upstream working

To reduce preventable exclusions, research must be done into outreach services run by AP schools and local authorities, in-school inclusion bases and third-sector initiatives.

#### 7. Publish templates of good local systems of AP and establish an AP system improvement fund

Successful partnerships between AP and mainstream schools should be modelled for replication, and then supported with funds to ensure continuous improvement.

## part two | policy eight

# Accelerate a highly effective addiction recovery strategy

### With thanks to:

Noreen Oliver MBE, Founder and Managing Director, BAC O'Connor  
Richard Johnson, Chief Executive, ANA Treatment Centres  
Jon Royle, Chief Executive, Bridge  
Jane Winehouse, Managing Trustee, Amy Winehouse Foundation

## 8.1 We have a national addiction problem – and it's about to get worse

Whether addiction is the cause or consequence of suffering, there is always a person and often a family at the heart of it. Often there are complex drivers behind the addiction, such as prior or on-going trauma or a continuing mental health issue. Our starting point must be to unshackle ourselves from ill-informed but still sadly prevalent social attitudes that stigmatise those in addiction and call their plight 'choice'. Those that find the strength to tackle their addiction head-on, often succeed with the practical help, emotional support and the kindness of others willing and able to help them re-connect. There are thousands of examples of people who are proudly in lasting recovery, but we are yet to find someone who did it alone.

Addiction can affect any of us. According to a recent poll, some 60 per cent of adults say they know an addict.<sup>317</sup> Alcoholism was identified as the most prevalent addiction among those who said they knew an addict, applicable in 73 per cent of such responses.<sup>318</sup>

And yet, even in the most economically prosperous times, we have been far from successful in tackling this complex, widespread and deeply damaging issue. And now, the effects of isolation and the increased domestic pressure brought about by the Covid-19 crisis may see the recovering gambler or alcoholic relapse. With deeply worrying reports of a rise in domestic abuse, isolation, the deterioration of many people's mental health and growing financial worries in households across the UK, it is reasonable to suggest

---

<sup>317</sup> Action on Addiction, 10 June 2019: Addiction widespread in society with more than half of Britons knowing a victim, new poll finds [accessed via: [www.actiononaddiction.org.uk/news/latest-news/yougov-poll](http://www.actiononaddiction.org.uk/news/latest-news/yougov-poll)]

<sup>318</sup> Ibid



that these established drivers of addiction will, unchecked, see a long-term addiction crisis that could take decades to overcome. So beyond the obligation to meet presented need, that is to say people who present for treatment, there is a need to be proactive and to seek out those that need help and make it easier for them to accept it. This means ensuring we have the resources for meaningful outreach to under-represented groups such as BAME communities and vulnerable women.

## 8.2 The window of opportunity to shape the legacy of this crisis is now

As lockdown eases, there will be opportunities to shape the legacy of this crisis and mitigate the long-term damage it will have caused to people's lives. However, we must accept that there is much that is unknown today about the precise impact that lockdown has had, and that as rational policy formation must be evidence-led, we must examine the consequences of this crisis and ensure that this information advises our approach. But there are clearly things that we can do and must do now, even before that fuller picture develops. We might start by breaking down barriers to recovery and opening up referral pathways by immediately investing in outreach and recovery services. We must uncover need, encourage people into recovery, and resource service provision to meet the scale of the problem.

A decisive and prompt effort to prevent developing addictions and encourage recovery will undoubtedly help stem a tide of disadvantage and misery that could cascade down through the decades ahead.

## 8.3 The scale of the UK's addiction problem should concern us

In the CSJ's 2019 report, *Road to Recovery*, we observed that:

**The last 15 years have demonstrated that you cannot predict the next threat. Unless we have a system of care that is professional, stable and with sufficient capacity, we run the risk of exposure to destructive and long-lasting epidemics.**

Even before the Covid-19 crisis, the UK was failing to adequately address its addiction problem and was simply not prepared for a surge in demand for service provision. Recent studies reveal the following:

1. More people die of illicit drug use every year than from all knife crime and road-traffic incidents combined. In fact, about one in three drug deaths by overdose that occur in Europe happen here, in the UK.<sup>319</sup>

319 EMCDDA, 'European Drug Report 2019', pg 7 [accessed via: [www.emcdda.europa.eu/system/files/publications/11364/20191724\\_TDAT19001ENN\\_PDF.pdf](http://www.emcdda.europa.eu/system/files/publications/11364/20191724_TDAT19001ENN_PDF.pdf)]

2. According to the most recent Public Health England figures ‘an estimated 82 per cent of adults in need of specialist treatment for alcohol were not receiving it’.<sup>320</sup>
3. Just 2 per cent<sup>321</sup> of the UK’s nearly 395,000<sup>322</sup> problem gamblers are in treatment.

## 8.4 It’s time for a new approach

In November 2019, the government announced a new approach to tackling ‘head on’ the issue of addiction in the UK. Amongst the government’s announcements,<sup>323</sup> specific and significant undertakings included;

- A new UK-wide cross-government addiction strategy will be published in 2020, establishing clear ambitions for reducing drug deaths and including problem gambling for the first time.
- Problem gambling, drink and drugs addiction will be brought under the remit of a new, dedicated monitoring unit at the heart of Government.

Health Secretary, Matt Hancock, on announcing this new approach said;<sup>324</sup>

Addiction is a destructive and tragic affliction that can cause physical and emotional harm and cost lives. I’ve seen for myself just how devastating it can be, and there are new challenges we face every day.

Much of what was announced was enormously encouraging, and many in the sector believe the announced policy shift has the potential to have a material effect on the plight of hundreds of thousands of people across the country.

Now, more than ever, the need for this new approach is immediate, and it must be put into action.

## 8.5 Impact of Covid-19

The true impact of the wider public health crisis caused by Covid-19, still less the permanence of its influence, is not yet well-understood, and even the most expert in the field cannot speak about the long term health implications for our society with any real certainty at this stage. So it is true of our understanding of the precise impact this has had on the scale and the nature of addiction in the UK.

---

320 Public Health England, ‘Adult substance misuse treatment statistics 2018 to 2019’, report published 7 November 2019 [accessed via: [www.gov.uk/government/publications/substance-misuse-treatment-for-adults-statistics-2018-to-2019/adult-substance-misuse-treatment-statistics-2018-to-2019-report](http://www.gov.uk/government/publications/substance-misuse-treatment-for-adults-statistics-2018-to-2019/adult-substance-misuse-treatment-statistics-2018-to-2019-report)]

321 GambleAware, ‘Annual Review 2017/18’, Sept 2018, pg 1, [accessed via: <https://about.gambleaware.org/media/1836/gamble-aware-annual-review-2017-18.pdf>]

322 National Audit Office report, ‘Gambling regulation: problem gambling and protecting vulnerable people’ published on the 20 February 2020 [accessed via: [www.nao.org.uk/wp-content/uploads/2020/02/Gambling-regulation-problem-gambling-and-protecting-vulnerable-people.pdf](http://www.nao.org.uk/wp-content/uploads/2020/02/Gambling-regulation-problem-gambling-and-protecting-vulnerable-people.pdf)]

323 Conservative Party website, ‘Conservatives launch new plan to tackle addiction’, published 28 November 2019 [accessed via: [www.conservatives.com/news/conservatives-to-launch-new-plan-to-tackle-addiction](http://www.conservatives.com/news/conservatives-to-launch-new-plan-to-tackle-addiction)]

324 *ibid*

And yet, those service providers who reach out to people in need of recovery services across the UK, on a daily basis, are reporting their deeply held concerns that the problem has worsened.

There are strong indicators that their concerns are merited.

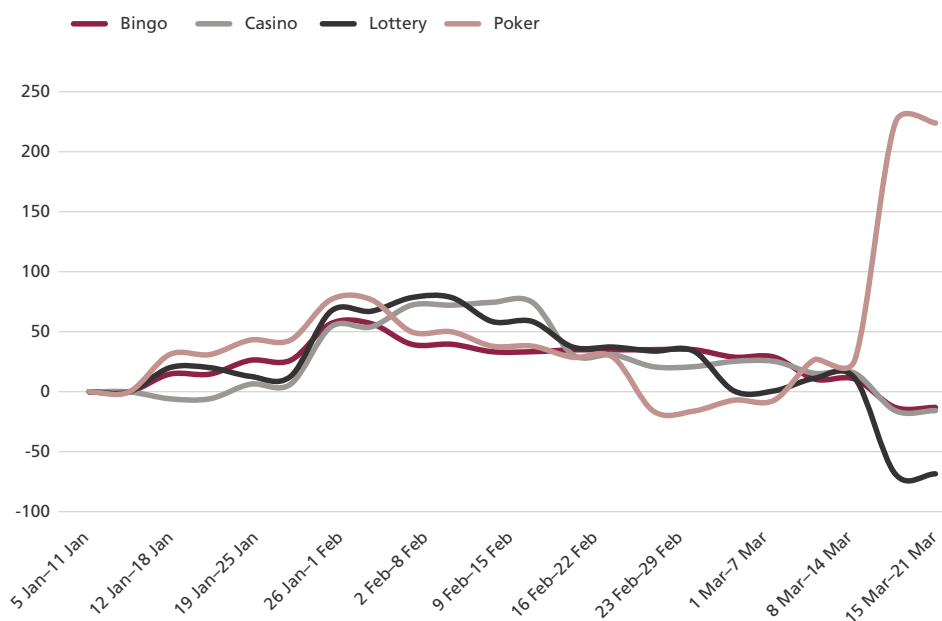
### 8.5.1 Gambling

The way we gamble has changed. Today, 50 per cent of online gamblers use mobile phones to gamble.<sup>325</sup> Between 2014 and 2017, gambling operators' advertising and marketing spend increased by 56 per cent, mostly attributable to increases in online and social media advertising. A recent YouGov poll commissioned by Action on Addiction found that:

Among those surveyed, 4 per cent say they have increased the amount of online gambling they are doing. For the UK, this would mean 2 million people have increased their online gambling during lockdown. Of those who have increased the amount, 16 per cent say they have experienced problems associated with their increased online gambling during lockdown. Over 319,000 people are experiencing problems associated with an increase in gambling.<sup>326</sup>

The public health crisis brought about by Covid-19 has seen a massive increase in riskier forms of gambling, in particular, online poker (see Figure 22).<sup>327</sup>

Figure 22: Spike in online poker during pandemic (%)



325 Gambling participation in 2019: behaviour, awareness and attitudes, Annual Report, published February 2020 [accessed via: [www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2019-behaviour-awareness-and-attitudes.pdf](http://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2019-behaviour-awareness-and-attitudes.pdf)]

326 Summary of Findings, YouGov National Poll on Addiction Behaviours in Lockdown Nationally Representative based on +18 population of 52,383,965, commissioned by Action on Addiction [accessed via: [www.actiononaddiction.org.uk/media/464/summary-of-findings.pdf?1591598011](http://www.actiononaddiction.org.uk/media/464/summary-of-findings.pdf?1591598011)]

327 Microsoft, 'Online Gambling COVID-19 U.K. marketplace insights', up until 21 March, 2020 [accessed via: <https://advertisonbing-blob.azureedge.net/blob/bingads/media/library/docs/o/emea/online-gambling-march212020.pdf>]

### 8.5.2 Alcoholism

There are indications that some people are consuming alcohol at higher levels as a result of the crisis. While there is also evidence of people drinking less, or even abstaining completely from alcohol, a recent survey found that one in five Britons who drink has stated that they started to drink more often since the lockdown; that equates to over 8 million people.<sup>328</sup>

Action on Addiction recently commissioned a YouGov poll of a sample of UK adults. It found that: *'Among people surveyed who were in recovery from an addiction prior to lockdown, 39 per cent have experienced a relapse or a recurrence of their addictive behaviour since lockdown.'*<sup>329</sup>

The same poll indicated that: *'A quarter of adults not in recovery from an addiction prior to lockdown say they have increased the amount of alcohol they are drinking since lockdown started. Further, 15 per cent of adults who have increased the amount of alcohol they are drinking are experiencing related problems, such as relationship difficulties, managing work, sleeping problems, physical symptoms of withdrawal, debt etc.'*

### 8.5.3 Drug use

The BBC reported, as early as May of 2020, that there was evidence to suggest that serious organised crime was already adapting its operations in response to the logistical issues lockdown was causing and this was having consequences for the security of their illicit supply chains.

Law enforcement officials say lockdowns in countries where drugs are sourced, such as Pakistan and Colombia, together with aviation and shipping bans, have caused organised crime groups to move larger quantities in each consignment, leaving them more vulnerable to interception.<sup>330</sup>

Many have observed that the illicit drugs market has likely been disrupted by compromised international supply lines. There is some, albeit anecdotal, evidence of a consequent rise in value of some types of drugs, often relating to those substances that have an international supply chain, such as heroin and cocaine.<sup>331</sup>

Amongst others, the Society for the Study of Addiction, also relying on a number of other studies – including the work of 'Release' – have made clear that the true impact of lockdown on our societies use of illicit drugs is currently not yet fully understood. This must surely be accepted as the only reasonable position at the time of writing. Again,

---

328 Alcohol Change UK, Drinking during lockdown: headline findings, published April 2020 [accessed via: <https://alcoholchange.org.uk/blog/2020/Covid19-drinking-during-lockdown-headline-findings>]

329 Summary of Findings, YouGov National Poll on Addiction Behaviours in Lockdown Nationally Representative based on +18 population of 52,383,965, commissioned by Action on Addiction [accessed via: [www.actiononaddiction.org.uk/media/464/summary-of-findings.pdf?1591598011](http://www.actiononaddiction.org.uk/media/464/summary-of-findings.pdf?1591598011)]

330 BBC News, Coronavirus: Lockdown could bring hope for drugs gang teens, Published May 2020 [accessed via: [www.bbc.co.uk/news/uk-52535549](http://www.bbc.co.uk/news/uk-52535549)]

331 Society for the Study of Addiction (SSA), 'How is the COVID-19 pandemic changing our use of illegal drugs? An overview of ongoing research'. First published: 28/05/2020 (Last updated: 9 June 2020) [accessed via: [www.addiction-ssa.org/how-is-the-covid-19-pandemic-changing-our-use-of-illegal-drugs-an-overview-of-ongoing-research/](http://www.addiction-ssa.org/how-is-the-covid-19-pandemic-changing-our-use-of-illegal-drugs-an-overview-of-ongoing-research/)]

it is imperative to acknowledge, as these groups do, that a number of domestic<sup>332</sup> and international surveys on this point are yet to be concluded and that cumulatively they will likely assist us in better understanding the impact of the lockdown on illicit drug use. However, there have been concerns raised that, in these circumstances, dangerous synthetics such as Fentanyl might become more prevalent.<sup>333</sup>

Beyond supply issues, a changed lifestyle under lockdown has likely affected demand with some reporting a reduction in consumption of ‘club drugs’ as nightlife and festivals have not been a feature. However, there is a very real lack of data at the time of this document’s publication and the only position that can be advanced with any degree of confidence at this stage is that the market is very likely to have seen at least some significant disruption in places. That may well mean an escalation in risk to health for some.

Our only meaningful conclusion on this point is that we ought to ensure this situation is monitored in an effort to advise policy and in any event, our ability to offer recovery services and wider support in the community to those seeking recovery is a lever for change, unaffected by supply lines.

## 8.6 The looming wave of need and how we tackle it

The recommendations set out in the CSJ’s 2019 report, *Road to Recovery*,<sup>334</sup> were designed to encourage appropriate funding to a depleted recovery sector, to ensure a fair and proportionate response across the country and to seek out those that need help and provide it. These objectives remain central to an effective approach.

As we have explored in this chapter, the government has already announced its clear intention to take a new approach to challenging addiction in our society and tackling these issues head on. Specifically, the Government announced:

### 1. The Addiction Monitoring Centre (AMC) and an addiction strategy

The establishment of a cross-departmental body and a commitment to develop an addiction strategy, due for publication in 2020.

### 2. An intention to review commissioning and funding

The Government said that ‘the progress made by local community-based treatment services and how they are funded and commissioned’ would be reviewed and that it would work with statutory and third-sector bodies to ensure all areas of addiction have the provision they need. It also said the public health grant will increase in real terms

332 List of studies taken from the Society for the Study of Addiction (SSA), ‘How is the COVID-19 pandemic changing our use of illegal drugs? An overview of ongoing research’. First published: 28/05/2020 (Last updated: 9 June 2020): List of studies pending at the time of writing: ALAMA, Electronic Music Scene Survey – University College London, C-Cabana – University of Cambridge, CannTeen – University College London, Impact of coronavirus on drug purchases survey – Release, Khat and Covid – University of Hertfordshire

333 The Guardian, Coronavirus crisis could increase users’ drug habits – report. Published 3 May 2020 [accessed via: [www.theguardian.com/society/2020/may/03/coronavirus-crisis-could-increase-users-drug-habits-report](http://www.theguardian.com/society/2020/may/03/coronavirus-crisis-could-increase-users-drug-habits-report)]

334 Centre for Social Justice, Road to Recovery – Addiction in our Society the Case for Reform [accessed via: [www.centreforsocialjustice.org.uk/library/road-to-recovery](http://www.centreforsocialjustice.org.uk/library/road-to-recovery)]

in 2020–21 and that it would ensure better accountability and coordination so we can have sustainable, well targeted local illicit substance use and treatment services, and tackle any postcode lotteries in provision.

### 3. A greater focus on recovery

The Government said there would be an increase in the proportion of those entering treatment (including residential provision) who move beyond maintenance and into recovery.

## Conclusion

Addiction is a scourge on our country, harming and often ending lives, limiting opportunities and causing untold damage to families, jobs and our health services. The UK has a chronic addiction problem that it has all but ignored for years, and now it is predicted that the stresses and strains of the Covid-19 crisis will drive new and deeper levels of addiction. We must be prepared for the ‘tsunami of need’ – indeed, it is already coming our way, and we must act now.

## Our recommendations

### 1. Provide immediate funding to make sure no one is turned away

At first, many who need treatment struggle to accept they need it. Equally, when they do, many are often disinclined to follow through with it if faced with delays or in some cases refusal of residential rehabilitation. There is often a brief window of opportunity to help those who step forward, and we must not deny them the chance to achieve recovery. Services must not be overrun in the face of a surge in need. Capacity must proportionately meet need. The strain on local government public health budgets will not act as a strong incentive to outreach for those in need of recovery services, and so in the short-term, we would recommend that central funding to tackle addiction is allocated based on recognised or projected need, and that funding streams intended to aid abstinence-based recovery are protected.

While there is undoubtedly an important complexity to funding arrangements, there remains a strong case that simple inadequacy of funds can account for a great deal of the problems the sector faces. While fuller and absolutely integral discussions develop around funding and commissioning structures and their reform – we must make sure that the longstanding and significant under-funding of this sector is addressed immediately.

### 2. Establish the scale of the additional threat to addiction levels posed by Covid-19

The creation of the Addiction Monitoring Centre in the Cabinet Office was welcome and is now timely. While it is right to act now, there is a great deal unknown about how the public health crisis has altered addiction in our society. We must attain a clear picture of the nature and scale of the threat we face, and properly assess and measure the success of established responses to addiction.

## part two | policy nine

# Reform our failing, overlooked prison system

### With thanks to:

Steve Freer – Tempus Novo, Chief Executive and Founder  
 Val Wawrosz – Tempus Novo, Managing Director and Founder  
 Eva Hamilton MBE – Key4Life, Chief Executive and Founder

## 9.1 The full impact of Covid-19 on our justice system will not be understood for some time

The Covid-19 lockdown has tested the fabric of our society, and our criminal justice system is no exception. It is only as our enforcement agencies, courts, probation system, and prisons start to emerge from the pandemic that the full impact of lockdown across our justice system will be understood.

While crime rates saw an overall decrease during the most restrictive period of lockdown,<sup>335</sup> there are early indications of spikes across a range of offences. Data from London's Metropolitan Police Service, for example, shows that over the period of lockdown, domestic abuse calls saw an average increase of 11.4 per cent compared with the same weeks in 2019.<sup>336</sup> At the same time, data published by Barclays Bank shows a 66 per cent increase in reported scams during lockdown compared to pre-Covid.<sup>337</sup> And there was a significant increase in drug offences over the months of April (22 per cent increase) and May (44 per cent increase), compared with the same months in 2019.<sup>338</sup> In this single chapter, we could focus on any one of these issues and many more not listed here.

A common thread across each offence category is the need for more effective means of rehabilitation for those caught in the revolving door of crime. Nowhere is this need more evident than in our prison system.

335 ONS reported a drop of almost one-third (32 per cent): ONS, Crime Survey of England and Wales (CSEW).

336 Ria Ivandic, Tom Kirchmaier, LSE, CentrePiece, July 2020. pg 7

337 Barclays: Scammers take advantage of COVID-19 cashing in on nations' uncertainty, 19 August 2020. [accessed via:

<https://home.barclays/news/press-releases/2020/08/scammers-take-advantage-of-covid-19--cashing-in-on-nations--unce/>

338 ONS, Coronavirus (Covid-19) roundup: people and social impacts. 28 August 2020

## 9.2 The Covid-19 crisis gives us an opportunity to reform our prison system

Covid-19 has brought into sharp focus the systemic challenges facing our prisons. Namely, that we have an overcrowded prison estate that is limited in its ability to rehabilitate prisoners. All too often, prison serves as a catalyst for the causes of crime rather than as a means of remedying them. The consequence is that cycles of criminality fail to be broken and reoffending continues to blight our streets.

These challenges pre-existed the Covid-19 pandemic and will likely continue long after lockdown in the prison estate has lifted unless urgent steps are taken to reassess our approach to meaningful and sustained rehabilitation.

## 9.3 The use of custody in England and Wales

Prison is the sharp end of the justice system and is at times a necessary means of dealing with offenders. It can be an important tool in the exercise of justice, the protection of the public and the prevention of future victims of crime.

England and Wales uses custody to a greater extent than many other European jurisdictions. With a prison population rate of 134 per 100,000 inhabitants, we have the highest imprisonment rate in Western Europe.<sup>339</sup> Across all EU Member States for which data is available, there is a median prison population rate of 106 per 100,000 inhabitants.<sup>340</sup> The arguably comparable jurisdiction of France is lower still, with a rate of 104 per 100,000 inhabitants, while Germany has an imprisonment rate of 77 per 100,000 inhabitants.<sup>341</sup>

While reliance on custody in the criminal justice system of England and Wales has increased overall since the Second World War, the rise has been most pronounced over the past thirty years.

There is a range of factors that have contributed to the long-term growth of our prison population. Some are external and relate to the changing nature of crime and advancements in our ability to detect crime, while some relate to the introduction of tougher sentencing policies. There is evidence of a lack of confidence in some non-custodial sentences and there has also been a substantial increase in the number of recalled offenders returning to custody after breaches of their licences and community orders.

The impact of our use of custody can be tangibly seen in the levels of overcrowding across the prison estate.

---

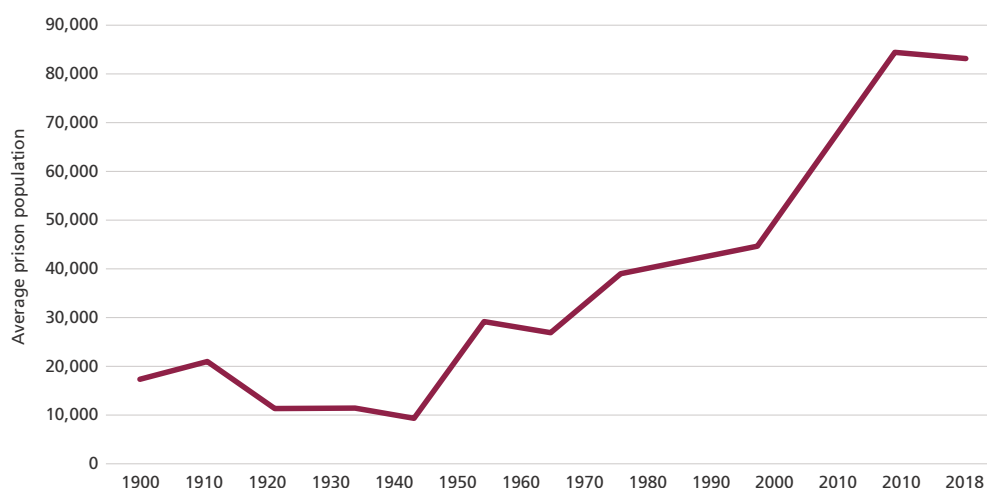
339 World Prison Brief, Institute for Crime & Justice Policy Research, June 2020

340 Council of Europe, Prisons and Prisoners in Europe 2019: Key Findings of the SPACE I report. Marcelo F. Aebi and Melanie M Tiago. 2019. Pg 1

341 World Prison Brief, Institute for Crime & Justice Policy Research, June 2020



Figure 23: Average prison population in England and Wales 1900–2018



Source: Ministry of Justice FOI response 200617019.

## 9.4 The impact of overcrowding on prison efficacy

An inspection of HMP Wandsworth by Her Majesty's Chief Inspector of Prisons found the following:

At the time of this inspection, 36 per cent of the prisoners were receiving psychosocial help for substance misuse problems, 40 per cent told us it was easy to get illicit drugs, and 450 referrals were made to the mental health team each month. Meanwhile, 42 per cent of the men were locked in their cells during the working day and this was no doubt, at least in part, because there were only enough full-time activity places for around a third of the population. In essence, there were too many prisoners, many with drug-related or mental health issues, and with not enough to do... How much better could their prospects, and those of the communities into which they were released, have been if their time in prison had been spent in more decent conditions?<sup>342</sup>

The prison estate, taken as a whole, has been overcrowded every year since 1994. Before lockdown, the total prison population stood at 83,709,<sup>343</sup> which equates to 98 per cent of the usable operational capacity of the estate. With the uneven distribution of prisoners across the estate, 60 per cent of prisons are overcrowded, with some operating at 163 per cent of their uncrowded capacity. The remainder is at or close to capacity.<sup>344</sup> This level of overcrowding has been stable for 15 years.

For those in prison, overcrowding means having to live in close proximity to other inmates, sometimes sharing a single cell that has been designed to accommodate only one person, often with an open, unscreened toilet – a situation that is compounded by the high levels of violence and drug misuse that have become the norm across much of the estate.

<sup>342</sup> HM Chief Inspector of Prisons, Report on an unannounced inspection of HMP Wandsworth, 26 February–9 March 2018. Pg 5

<sup>343</sup> MOJ, Prison and Population Briefing for Friday 20 March 2020

<sup>344</sup> National Audit Office, Improving the Prison Estate, January 2020. Pg 18

A further inevitable consequence of overcrowding is that there are simply not enough places to provide rehabilitation and purposeful activity for every prisoner. While some provision is made for rehabilitative activities within the prison estate, there are limited opportunities for work and training in the most crowded prisons. A quarter (24 per cent) of prisoners are locked in their cells for at least 22 hours a day on a typical weekday. The situation is much worse in local prisons, where 37 per cent of prisoners said they spent less than two hours a day out of their cell,<sup>345</sup> leaving little time for engagement in purposeful activity. In the most recent annual report, HM Inspector of prisons considered the impact of overcrowding on purposeful work in prisons:

If the purpose of prison, after fulfilling the sentence of the court, is to rehabilitate, how can that be achieved if prisoners are unable to access education or training because there are not enough places? At present 'overcrowding' in prisons is assessed by the prison service based on how many prisoners can be crammed into the available cells. Perhaps we should think about describing prisons as being overcrowded if, among other things, there are not enough meaningful education or workplaces for the prisoners being held in them?<sup>346</sup>

Her Majesty's Chief Inspector of Prisons, Annual Report 2018/2019

It is a reasonable expectation that prison should equip individuals for life after release. This means providing opportunities to engage in rehabilitative programmes, connect with family and friends, and prepare for meaningful employment. But too often rather than being places of rehabilitation and reform, the prison environment serves to further entrench criminal behaviour.

## 9.5 The failure of our prisons to reduce reoffending rates

The impact of our failure to offer meaningful opportunities for rehabilitation in prison is borne out in the reoffending rates of those leaving custody. Close to half (47.6 per cent) of all adults who have served a custodial sentence go on to re-offend.<sup>347</sup> When we consider those who are sentenced to custody for less than 12 months, this figure increases to 63.1 per cent.<sup>348</sup> The social and economic cost of this level of reoffending is £18.1 billion per annum.<sup>349</sup> The human cost to the communities and victims who suffer the effects of criminality on their streets is impossible to measure.

A study carried out by the Ministry of Justice compared the reoffending rates of individuals sentenced to custody with a control group of individuals sentenced to community-based sentences. The study controlled for the background variables of offenders, including offending histories, and still found higher rates of offending amongst those sentenced to custody than those sentenced to a community order or suspended sentence order. The one-year reoffending rate was around four percentage points higher and the one-year average number of reoffences was around 65 reoffences higher per 100 sentencing occasions.<sup>350</sup>

---

345 HM Chief Inspectorate of Prisons, Annual Report 2018/19. Pg 33

346 HM Chief Inspectorate of Prisons, Annual Report 2018/19. Pg 12

347 Ministry of Justice, Proven reoffending statistics: January to March 2018. 30 January 2020. Table C2a: Adult proven reoffending data, by custodial sentence length (annual average)

348 Ministry of Justice, Proven reoffending statistics: January to March 2018. 30 January 2020. Table C2a: Adult proven reoffending data, by disposal (annual average)

349 Ministry of Justice, Economic and social costs of reoffending: Analytical report. 2019. Pg 10

350 Ministry of Justice, Georgina Eaton and Aidan Mews, The impact of short custodial sentences, community orders and suspended sentence orders on reoffending, 2019

## 9.6 It's time to reconsider who we send to custody

Our failure to rehabilitate those passing through our justice system is not inevitable. The punitive element of an individual's sentence can be achieved alongside meaningful and effective interventions that offer the hope of rehabilitation.

While imprisonment is often the only means of providing sufficient protection for the public by incapacitating certain offenders, there remains a significant number of individuals in custody for whom imprisonment in the prison estate is arguably not necessary. These individuals are not dangerous, nor do they present a material threat to society. They have strengths, talents, skills, and relationships that could be encouraged and developed through time and intervention.

Desistance from crime is not a linear process and involves a complex interplay of factors. But we must intervene where we can – be it through mental health provisions to help individuals on the road to recovery from trauma and addiction, stable and affordable housing with adequate wrap-around support, opportunities to maintain or rediscover family ties, and the offer of meaningful employment.

The best and sometimes the only place for rehabilitation and intervention of this kind is in the community.

## 9.7 How the prison estate has coped with Covid-19

A prison system stretched to capacity was not equipped to deal with the demands placed on it by the outbreak of Covid-19. On 13 March 2020, the 117 prisons across England and Wales managed by HMPPS went into lockdown, shortly followed by the rest of the UK. Prison visits were cancelled, and prisoners were confined to their cells for 23 hours a day, sometimes longer.

Our prisons are uniquely vulnerable to the spread of Covid-19, and Her Majesty's Chief Inspector of Prisons considered that the swift and decisive action taken in prisons undoubtedly helped to prevent the spread of the virus,<sup>351</sup> and ultimately save lives. Prison staff and managers worked hard to provide support to those under their supervision throughout the period of lockdown. In a number of cases, key processes around care for the most vulnerable, urgent health provision and basic release planning were maintained<sup>352</sup> – something that should be applauded. It is undeniable, however, that the measures have come at great cost to prisoners and their families.

The usual regime in prison was paused to allow for social distancing measures to take place. Purposeful activity, including education in young offenders' institutions, either ceased or was significantly reduced, and all prison visits were cancelled. Visits from family and friends can be a lifeline for prisoners, and the impact of lockdown in prison would have been tangibly felt by family and friends on the outside, including the hundreds

351 HM Chief Inspector of Prisons, Aggregate report on Short scrutiny visits, 2020. Pg 6

352 HM Chief Inspector of Prisons, Aggregate report on Short scrutiny visits, 2020. Pg 7

of thousands of children currently affected by parental imprisonment in England and Wales. For these children, the trauma of parental imprisonment would have been greatly exacerbated by not being able to see their parents in person for many months.

Prisoners were kept in their cells for most of the day and the night, sometimes allowed out for as little as 30 minutes to exercise, shower and use the telephone. An inspection of HMP Wandsworth, HMP Elmley and HMP Altcourse found that: *'A small number of symptomatic prisoners had been isolated in their cells without any opportunity to come out for a shower or exercise for up to 14 days.'*<sup>353</sup> The decision had been made *'in consultation with Public Health England, and as a result of the lack of space for a protective isolation unit.'*<sup>354</sup>

Further inspection of three category C training prisons was carried out on 5 May 2020. The inspectorate gave a stark account of the implications of lockdown for individuals at Coldingley prison:

As at all establishments, the impact of these measures had been a reduction in the amount of time prisoners spent out of their cells. This was a particular problem at Coldingley, where around two-thirds of the population had no toilet or sink in their cell. The lengthy periods for which prisoners were locked up had placed additional pressure on the 'on request' sanitation system usually only used during the night. The result was that prisoners, faced with long waits to use the communal facilities, resorted to using buckets in their cells... The situation was exacerbated by the fact that prisoners had to eat their meals in these same cells, and that by the time of this visit hand sanitiser had not been provided.<sup>355</sup>

At the time of writing, HMPPS are in the process of moving prisons across England and Wales out of lockdown – which will take place in a slow and incremental way according to individual establishments.<sup>356</sup> The impact of lockdown on prisoners and their families will not be known for some time, but it can be reasonably assumed that the conditions described will have significant and lasting implications for the mental health and wellbeing of prisoners and their families for years to come.

## Conclusion

Overcrowded prisons, high reoffending rates and a lack of rehabilitation have been the narrative of our criminal justice system for too long. The Covid-19 pandemic has shone a light on these challenges. It is estimated that 41 per cent of our prisons need major repair or replacement to remain operational,<sup>357</sup> and some of our prisons are running at 163 per cent of their uncrowded capacity,<sup>358</sup> the impact of which is tangibly felt across the prison estate. The Government's recent announcement to build more prisons is therefore welcome and greatly needed, but it is not enough.

---

353 Her Majesty's Chief Inspector of Prisons, Report on short scrutiny visits to local prisons, 28 April 2020. Pg 7

354 Her Majesty's Chief Inspector of Prisons, Report on short scrutiny visits to local prisons, 28 April 2020. Pg 12

355 Her Majesty's Chief Inspector of Prisons, Report on short scrutiny visits to category C training prisons, 5 May 2020. Pg 7

356 Ministry of Justice, Her Majesty's Prison and Probation Service, COVID-19: National Framework for Prison Regimes and Services. June 2020

357 National Audit Office, Improving the prison estate. 2020. Pg 7

358 National Audit Office, Improving the prison estate. 2020. Pg 18

As we look to recover from the Covid-19 crisis and build a fairer, more successful society, we need a new and brave response to crime, one that believes in the hope of rehabilitation for those in our criminal justice system and seeks a safer society for all.

## Our recommendation

### 1. A radical reimagination of our use of custody

Beyond the punishment of offenders and the protection of the public, it is incumbent on our justice system to offer opportunities for meaningful reform and rehabilitation. Years of dependence on custody as a means of dealing with offenders has shown that our prisons all too often serve as catalysts for criminal behaviour, rather than as a means of remedying it.

If our criminal justice system is ever going to offer the hope of reform for perpetrators of crime and their communities, then it needs to place rehabilitation front and centre of the sentencing process. It must prioritise family relationships, foster opportunities for education and work, and offer access to meaningful rehabilitation and services that will address the multiple and complex needs that individuals in the criminal justice system present with. This can only meaningfully be achieved in the community.

Through a reorientation of our use of custody, justice can be served alongside thoughtful and meaningful interventions that offer a far greater prospect of rehabilitation for those who pass through our criminal justice system, their families, and our communities.

## part two | policy ten

# Fight the scourge of modern slavery head on

### With thanks to:

Jackie Doyle-Price, MP for Thurrock

Carolyn Harris, MP for Swansea East

Caroline Haughey OBE QC, who led the successful prosecution of members of the biggest modern-day slavery network ever exposed in the UK

Nick Dale, Superintendent, West Midlands Police

Julie Etchingham, journalist, ITN News Presenter, patron of Anti-Slavery International

Yvonne Hall, Managing Director, The Palm Cove Society

## 10.1 We should be ashamed of slavery's grip on the UK today

**Modern slavery is not just happening in hand car washes, nail bars and cannabis farms. It is much more widespread and we need to proactively look for it. Understanding the problem and understanding our responsibility to that problem across departments is still lacking.**

**Prevent and Protect Team, Serious Crime Directorate, Kent and Essex**

Modern slavery is a brutal form of serious and often organised crime where the most vulnerable men, women and children are abused for criminal profit, with many victims forced to live and work in squalid conditions for little or no pay. They are controlled and coerced with threats and abuse, and often have no means of escape. Many people would think that we confined slavery to history books back in the 19th century, but this is not true.

According to the Office for National Statistics, the number of modern slavery victims identified in the UK has been growing exponentially, reaching 10,627 suspected victims in 2019, a 52 per cent increase on the previous year.<sup>359</sup> However, CSJ's 2020 report, *It Still Happens Here: Fighting UK Slavery in the 2020s*, published jointly with modern slavery charity Justice and Care, uncovered that the true scale could be ten times greater, with at least 100,000 victims of slavery in the UK. This is more than the population of Bath. It also means that we are only identifying one in ten victims, while the rest continue to suffer exploitation and abuse in silence.

---

<sup>359</sup> National Referral Mechanism statistics: end of the year 2019, Home Office, April 2020  
[www.gov.uk/government/statistics/national-referral-mechanism-statistics-uk-end-of-year-summary-2019](https://www.gov.uk/government/statistics/national-referral-mechanism-statistics-uk-end-of-year-summary-2019)

These aren't just numbers. These are individual people with hopes and dreams; people like 19-year-old Ileana, from a broken family in Romania. Ileana was easy prey for traffickers. She was taken to Essex, raped in brothels and fed cocaine to keep working into the night. She lived in fear of her life.<sup>360</sup>

Victims of modern slavery are not just foreign nationals trafficked and exploited in the UK. A growing number of British nationals are being enslaved too. In 2017, for the first time, the number of British victims rescued from exploitation was higher than from any other country. Since then, the UK has been the top country of origin. As we have heard during our research, often vulnerable British adults who are homeless, suffer from substance misuse or have learning disabilities are being targeted by traffickers and are being forced into various forms of labour. British children are being increasingly targeted for grooming, violence and exploitation by drug gangs enslaving them into criminality.

In 2013, the CSJ published a groundbreaking report, *It Happens Here: Equipping the United Kingdom to Fight Modern Slavery*,<sup>361</sup> which led to the introduction of the Modern Slavery Act 2015. It gave law-enforcement agencies the tools to tackle modern slavery offences (including a maximum life sentence for perpetrators and enhanced protection for victims), introduced the role of the Independent Anti-Slavery Commissioner, placed a duty on a number of statutory authorities to identify and support victims, and placed a requirement on all companies with a turnover of £36 million to publish annual modern slavery statements showing their action to ensure their supply chains are free of slave labour.<sup>362</sup> The Act set a global precedent for this type of law and countries around the world followed suit.

## 10.2 The terrifying picture of modern slavery

Five years on from the Modern Slavery Act, the CSJ published a review into what modern slavery looks like today and what impact the Act has had on the ground called 'It Still Happens Here'. In a unique undertaking, we visited six select areas across England and Wales – Birmingham, Leeds, Swansea, Plymouth, Loughborough and Southend-on-Sea – to hear from a cross-section of frontline professionals including the police, local authorities and charities which have given us invaluable local insights into the reality of modern slavery and the fight at the frontline. They have shown us how the Modern Slavery Act is working on the ground, both its positive impact and the distinct challenges it poses. We surveyed police officers and police and crime commissioners to get a better understanding of the impact and challenges at the national level. We also commissioned a public poll to get a better understanding of what the public awareness and perception of modern slavery is today. These were our key findings:

360 'It Still Happens Here: Fighting UK Slavery in the 2020s', the CSJ and Justice and Care, July 2020  
[www.centreforsocialjustice.org.uk/library/it-still-happens-here-fighting-uk-slavery-in-the-2020s](http://www.centreforsocialjustice.org.uk/library/it-still-happens-here-fighting-uk-slavery-in-the-2020s)

361 [www.centreforsocialjustice.org.uk/library/happens-equipping-united-kingdom-fight-modern-slavery](http://www.centreforsocialjustice.org.uk/library/happens-equipping-united-kingdom-fight-modern-slavery)

362 Modern Slavery Act 2015 [www.gov.uk/government/collections/modern-slavery-bill](http://www.gov.uk/government/collections/modern-slavery-bill)

### 1. Ruthless criminal networks continue to operate

Many thousands of men, women and children, of all nationalities and backgrounds, including a growing number of British citizens, continue to be trafficked and exploited for profit by ruthless criminal networks. They are tricked, taken and coerced into sexual slavery, crime, hard labour and domestic servitude. Forced addictions are increasingly used as methods of control.

### 2. It's likely there are at least 100,000 victims of modern slavery in the UK

Nobody knows the true scale and cost of the crime, but based on a new police data analysis tool, National Data Analytics Solution (NDAS),<sup>363</sup> we believe there could be at least 100,000 victims in the UK, with the actual number likely to be even greater. According to a 2017 government study, the economic and social cost of modern slavery was between £3.3 billion and £4.3 billion, but this was based on their estimated prevalence of between 10,000 and 13,000 suspected victims.<sup>364</sup> It is time for the Government to update its national assessment of the size of this problem.

### 3. There is no national consensus on how to fight modern slavery

Our understanding of slavery and how to fight it must improve on the frontline if we are to tackle it. A 'local lottery' exists when it comes to prioritising the anti-slavery fight across public authorities, and their response often remains reliant on personal leadership rather than it being 'core business'.

### 4. Too many traffickers are getting away with it

Human traffickers and Organised Crime Groups (OCG) are running riot in too many communities. Very few face prosecution relative to the number of victims found and even fewer are convicted. As the number of victims discovered has skyrocketed in the last five years, convictions have barely increased. In the year ending March 2019, there were 322 completed prosecutions for modern slavery-related crimes and 219 convictions served. During the same period, 7,525 adults and children were identified as potential victims of modern slavery. The biggest challenge police officers are facing in achieving successful prosecutions and convictions is maintaining continuous engagement with victims, who are inevitably key witnesses in many cases. To tackle the issue of the lack of engagement and support, the charity Justice and Care developed a new concept of a 'Victim Navigator',<sup>365</sup> who is embedded within senior policing teams to broker support and act as a trusted bridge between victims of modern slavery and police investigations.

### 5. Our victim-support programmes are not fit for purpose

The UK's immediate and longer-term response to victims is not up to standard, especially because we lose vital intelligence and evidence when victims disengage or are re-trafficked. We can no longer afford half-baked care and support. There is a serious backlog of cases

---

363 The National Data Analytic Solutions (NDAS) is a partnership of nine law enforcement agencies. It uses data analytical tools to help build better intelligence and insight from the mass of police data.

364 'Economic and social costs of modern slavery', Home Office, July 2018 [www.gov.uk/government/publications/the-economic-and-social-costs-of-modern-slavery](http://www.gov.uk/government/publications/the-economic-and-social-costs-of-modern-slavery)

365 Victim Navigators are embedded within Essex Police, Kent Police, Surrey Police, Greater Manchester Police and UK Border Force in Glasgow. Since the programme was started in September 2018, early stage internal analysis shows that more than 90 per cent of victims with a full support plan in place have chosen to engage with police.



within the National Referral Mechanism (NRM). Victims often spend months or even years in limbo until a decision is made. For example, 80 per cent of people referred to the NRM in 2019 were still waiting for a decision at the end of December 2019 (8,429 cases).<sup>366</sup>

#### 6. The public are more aware of modern slavery, but need more education

The British public can play a unique role in the fight against trafficking and slavery by reporting concerns to the police, but almost 60 per cent of people do not know what to do in that situation. Public awareness has improved though, with 63 per cent saying they are more aware of slavery than they were five years ago. Tellingly, 68 per cent say fighting modern slavery should be a top political priority.

As the problem of modern slavery grows in this country, there is a risk that the Modern Slavery Act has lured us into a false sense of security. Far from being finished, the work is really only just beginning.

### 10.3 How Covid-19 affected modern slavery

There is a serious risk that the crisis triggered by Covid-19 will lead to a rise in modern slavery and human trafficking. The main drivers of modern slavery – poverty, lack of opportunity and other vulnerabilities – will intensify, resulting in an increased risk of exploitation and abuse. Millions of people will be driven into desperation to meet their basic needs and to provide for their families, which will ultimately increase the risk of exploitation.

As the pandemic subsides, it is crucial that the increased risks of modern slavery are addressed. Concerted and coordinated action from the Government, in partnership with the voluntary sector, is now more urgent than ever.

#### 10.3.1 The Covid-19 crisis isolated victims of modern slavery

The pandemic created a perfect storm for traffickers and has driven modern slavery even further underground. The national lockdown meant that victims of modern slavery were even more hidden and isolated, drastically reducing any chance of rescue.

We were told by a number of frontline professionals that the detection rates and referrals of victims have significantly reduced due to the decreased capacity of the police and restrictions imposed by the pandemic. Some police officers were redeployed away from modern slavery teams. Support workers were limited in their activity. Technology for communicating with victims was lacking at the start. Our response to modern slavery was shattered.

While many premises where slavery and exploitation were taking place, such as brothels, hand car washes, nail bars and massage parlours, had to close temporarily due to the lockdown, it did not automatically mean that slavery and exploitation ceased. Criminals simply adapted their tactics as they were not prepared to lose their profits. With the

<sup>366</sup> National Referral Mechanism statistics: end of the year 2019, Home Office, April 2020  
[www.gov.uk/government/statistics/national-referral-mechanism-statistics-uk-end-of-year-summary-2019](https://www.gov.uk/government/statistics/national-referral-mechanism-statistics-uk-end-of-year-summary-2019)

increased demand for food production, packaging and delivery services, police were concerned that criminals would move and exploit their victims to these industries. In addition, victims found themselves in increased debt bondage, as their traffickers were charging for food, coffee, cigarettes and rent that victims will have to pay for at the end of the lockdown.

### 10.3.2 Survivors of modern slavery were left more vulnerable

Current survivors of modern slavery have been made even more vulnerable by Covid-19 as lockdown and social distancing measures reduced their access to support. The majority of organisations have continued to provide support to victims, but their approach has had to change. For some victims, the confinement under lockdown has triggered memories of abuse, control and isolation that they experienced during their exploitation, causing re-traumatisation. Inability to access mental health services and psychological counselling helping them to cope with such issues as anxiety, sleeplessness and flashbacks, has caused further deterioration of the victims' mental wellbeing.

Victims' longer-term recovery has been jeopardised as many charities providing critical support have been adversely affected and had to close their services. This, coupled with the lack of employment opportunities in the aftermath of the pandemic, will inevitably put victims at a higher risk of being re-trafficked whether they choose to stay in the UK or return home.

### 10.3.3 The impact on children should keep us awake at night

Many vulnerable children have been left unprotected during the pandemic, putting them at risk of being groomed into criminal and sexual exploitation. According to the Department of Education, only 5 per cent of almost half a million children classed as vulnerable attended school in April 2020 during the lockdown. The Children's Commissioner for England, Anne Longfield, released a report in April 2020 warning that hundreds of thousands of children could be recruited by criminal gangs as they are not on the radar of schools and social services during the lockdown.<sup>367</sup>

According to Barnardo's National Counter-Trafficking Service, there has been an exponential increase of trafficked children being referred into the Independent Child Trafficking Guardian service for support provided by the Regional Practice Coordinator. Furthermore, at the time of the referral, many of these children were struggling with their emotional and mental health, had no allocated social worker, and were not known to children's services.<sup>368</sup>

### 10.3.4 The easing of lockdown poses a new set of challenges

As the lockdown eases and many of us enjoy regaining some sense of normality and 'business as usual', it is vital that the increased risks of modern slavery are addressed. Traffickers who are keen to increase their profits will force their victims to work to return their debts, and – as we heard from one support charity – to provide more sexual services to clients who are 'preparing to celebrate the freedom and use the money they saved during

---

367 'We are all in this together', The Children's Commissioner for England, April 2020 [www.childrenscommissioner.gov.uk/report/were-all-in-this-together](http://www.childrenscommissioner.gov.uk/report/were-all-in-this-together)

368 Barnardo's National Counter Trafficking Service, Newsletter, May 2020

the lockdown'.<sup>369</sup> The Independent Anti-Slavery Commissioner, Dame Sara Thornton DBE, has expressed her concerns that human traffickers could benefit as industries are seeking to recruit low-paid workers to get swiftly back to business.<sup>370</sup>

## Conclusion

The Government is right to focus on 'hidden harms' like domestic abuse, especially in the context of the Covid-19 lockdown, and we urge them to ensure the fight against modern slavery is front and centre of this work. While positive progress has been made since the passing of the Modern Slavery Act, there is still much more to do to rid our country of modern slavery and ensure Britain leads the global fight again.

Fighting modern slavery is a challenging task, but by no means insurmountable. With the right focus in Westminster and across the regions, and with the right strategy and proportionate resources, we can launch the next phase of our all-out assault against it.

In our *It Still Happens Here* report, we have called the Government to act now, focusing on the following key principles for reform:

1. To fight the problem adequately, we have to understand its true scale and invest accordingly.
2. Good care and support for the exploited is not a luxury extra or just 'the right thing to do'. It bolsters the fight against organised crime.
3. Charities can play a more important role, partnering with police. This is a largely untapped resource.
4. Bringing more slave masters and OCGs to justice is essential if we are to tackle the problem. At the moment, modern slavery is low risk, high 'reward'. This has to change.
5. More foreign national victims can be helped to return home safely, if they wish to do so, while maintaining contact with criminal investigations.
6. As the Covid-19 pandemic subsides, prevention is crucial to ensure modern slavery is not allowed to flourish.

## Our recommendations

### 1. We need to update our understanding of the scale and nature of modern slavery and human trafficking in the UK

With insufficient data and understanding about the crime, we still too often fight it with one hand tied behind our back. The new police data analytical tool, National Data Analytics Solution (that we have drawn on to estimate the new prevalence of at least 100,000 modern slavery victims in the UK), should be scaled-up and commissioned to

<sup>369</sup> Evidence from the interview with the Modern Slavery Community Service Manager, from the Black Country Women's Aid

<sup>370</sup> "Traffickers could profit when UK eases lockdown, anti-slavery chief warns", Thomson Reuters Foundation, May 2020

[www.reuters.com/article/us-health-coronavirus-britain-slavery-tr/traffickers-could-profit-when-uk-eases-lockdown-anti-slavery-chief-warns-idUSKBN22H0A4](https://www.reuters.com/article/us-health-coronavirus-britain-slavery-tr/traffickers-could-profit-when-uk-eases-lockdown-anti-slavery-chief-warns-idUSKBN22H0A4)

publish an annual national prevalence assessment, informing operational and strategic responses and ensuring proportionate investment from the Government. More political focus is also required. The Government must produce a new cross-departmental modern slavery strategy, setting out clear responsibilities, actions and outcomes for tackling this crime. The high-level task force, once chaired by the former Prime Minister the Rt Hon Theresa May MP, needs to be revived to spearhead a cross-Government response.

## 2. The Government should enshrine survivor rights in law to guarantee and protect their access to support

This should be done by finally supporting the Modern Slavery (Victim Support) Bill 2019–2021,<sup>371</sup> sponsored by Lord McColl, that would give victims in England and Wales a guaranteed right to support during the initial period when the NRM decision is being made, and for a further minimum of 12 months afterwards. We also call on the Government to consider further support at that point, akin to the US-style ‘Victims of Trafficking in Persons nonimmigrant visa’ (T-Visa),<sup>372</sup> which offers temporary leave to remain where a victim is assisting as a witness in a criminal investigation. Other reforms should include: localising the NRM decision-making process from the Home Office; fast-tracking government-to-government safe return and reintegration schemes to allow more victims to return home quickly when they wish to, with support in place; ongoing engagement with police and the CPS; and work to prevent re-trafficking. The Home Office’s Assisted Voluntary Return scheme needs strengthening when it comes to slavery victims, moving from cash payments (up to £2,000) that increase vulnerability or go to waste, to targeted spend aiding recovery and avoiding re-trafficking.

## 3. Police engagement with victims needs to be transformed to dismantle criminal networks and bring more traffickers to justice

This should include piloting promising police-NGO partnership models such as the ‘Victim Navigator’ model or ‘MARAC’ (Multi-Agency Risk Assessment Conference), providing wraparound support to victims and securing police engagement. Specialist training for investigating officers, prosecutors and judges should be increased, as should training for a wider cohort of agencies such as the CPS and judiciary, with a focus on victim engagement. It is also time for the Government and authorities to consider whether additional safeguarding options should be made available to frontline workers such as police officers, social services and UK Border Force personnel to remove potential victims for their own safety for a limited period of time, diverting them from harm and gathering intelligence about suspected exploiters. This is an issue regularly raised on the frontline and it has been flagged repeatedly by other reviews, including the 2016 Modern Slavery Act Review by Caroline Haughey OBE QC.<sup>373</sup>

---

371 Modern Slavery (Victim Support Bill) 2019–21 <https://services.parliament.uk/bills/2019-21/modernslaveryvictimsupport.html>

372 Visas for Victims of Human Trafficking, US Department of State <https://travel.state.gov/content/travel/en/us-visas/other-visa-categories/visas-for-victims-of-human-trafficking.html>

373 ‘Modern Slavery Act 2015 review: one year on’, Caroline Haughey OBE QC, July 2016 [www.gov.uk/government/publications/modern-slavery-act-2015-review-one-year-on](http://www.gov.uk/government/publications/modern-slavery-act-2015-review-one-year-on)

PART THREE

# The political deal: a new kind of relationship

## part three | chapter one

# What we learnt in 2020

**Vigour and abundance of voluntary action outside one's home, individually, and in association with other citizens, for bettering one's own life and that of one's fellows are the distinguishing marks of a free society.**

**William Beveridge, 1948**

The experience of the pandemic underlined several lessons for public policy:

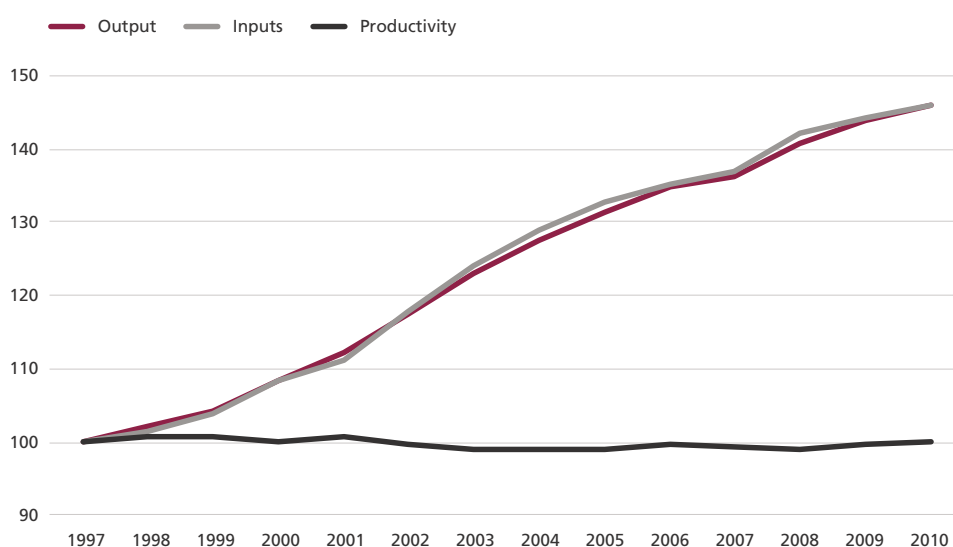
1. There is a limit to how much the state can achieve – a huge part of Britain's response to the lockdown involved volunteers, acts of altruism, and just good community responsibility.
2. Local connections matter – while top-down centrally run programmes took time to generate impact, smaller local groups were able to move quicker and achieve impact quickly.
3. Relationships matter – the most vulnerable to both the shutdown and the economic repercussions were predominantly people without a support network to fall back on.

As the Government builds a new political, economic, and social consensus, so these three lessons should inform their strategy.

### Limitations of the state

The public sector in Britain has often come under criticism for being inefficient. These accusations are sometimes made from an ideological standpoint, however, there are many arguments to suggest the UK public sector is unproductive and ineffective at reaching the most disadvantaged in society. PWC released a report in 2014 showing UK public sector productivity has stagnated in the decade up to 2010.

Figure 24: Public sector productivity % change since 1997 (1997=100) (ONS)



The CSJ has also long argued that the public sector can be cumbersome and outmoded in its performance of statutory duties. In 2014, a CSJ report said *'the old model of public service delivery is increasingly redundant. Large central monopolies in education, health and welfare were never ideally designed to deliver a flexible, personalised service'*.<sup>374</sup>

While the pandemic shone a light on the incredible work of frontline workers, such as NHS staff, social care workers, and police officers, it also proved the invaluable contribution made by both the private and voluntary sector.

Without supermarket staff carrying out their jobs and dealing with anti-social behaviour, there would be a huge stress on the most basic necessity for the British population – access to food. Many parts of the business sector were able to divert resources to support the public effort to provide essential equipment for healthcare workers. Brew Dog, INEOS, and Dyson were just a few of the largest companies in Britain that worked to provide sanitiser gels, PPE, and ventilator machines. Supermarkets prioritised supporting frontline workers with their shopping. Restaurants took advantage of looser regulations to deliver food to people's homes. Some companies – Redrow Housing, IKEA, Taylor Wimpey and Telegraph Media – returned Furlough money, as they found revenues hadn't been nearly as badly hit as originally expected.

Civil society also came into its own. There were countless stories of neighbours supporting each other with shopping and medical supplies. More than 1 million people signed up to volunteer for the NHS. Applications to volunteer as a caller on Silver Line increased exponentially to the point they stopped taking on volunteers. People walked, ran and climbed to raise money for good causes. By July NHS Charities Together had raised more than £130 million.

While the public sector came to breaking point, support for the most vulnerable in society came from corners of our society and our economy that had been forgotten about.

<sup>374</sup> Centre for Social Justice, Social Solutions: Enabling grass-roots charities to tackle poverty (7 September 2014)

The notion that state intervention could solve all problems was invalidated, a new normal where society, community and business work together with the public sector was born.

## Local connections matter

Much in the same way that the voluntary sector proved itself an essential plinth in the delivery of crucial services for the most vulnerable, so the pandemic proved that local connections matter in the delivery of services. Small, place-based charities became big players.

The difficulty in coordinating both access to education and the reopening of schools can be compared to the ingenuity of local school heads who opened schools up to become local hubs for vulnerable children and their families. Foodbanks, churches, and neighbours roared into action much faster than national programmes distributing food vouchers could manage. This had a lot to do with the inability of large mechanisms to move quickly, whereas small local groups could mobilise fast, with better knowledge of where need exists. Community organisation is often more efficient and effective at delivering basic services than the state is because community groups are made of people who know each other well and are bound by a bond of common friendship.

The CSJ has championed the importance of local community groups in solving local problems. Lads Need Dads (LND) is a local mentoring charity in Clacton that pairs young boys (who are often without male role models in their own life) with adult male mentors who take them camping, fishing, to play sport or to do arts and crafts. LND picks up where the school just cannot help and performs a service that a Whitehall Department could not because it is simply too distant.

The CSJ's 2019 report *Community Capital* found numerous other examples of local organisations filling gaps that the state would find impossible to fill, '*Pat at Treherbert Bowls Club was relying on her daughter to help care for her husband, but since joining the group, has found other people who are willing to lend a hand.... Hannah describes how taking time out during the day with other Mums [at Ferries Family Group] helps her to relax and prepare for her children to return from school, in turn enabling her to better care for her children.*'<sup>375</sup>

Local connections matter because they afford people social capital and this is important because '*relational deprivation is intrinsic to poverty insofar as poverty is more than what is financially affordable, but also being characterised by individual capabilities*'. In short, local connections matter because they help humans flourish and reduce poverty.

---

375 Centre for Social Justice, *Community Capital: How purposeful participation empowers humans to flourish* (19 September 2019)



## Relationships matter

Why do relationships matter? Because they often unlock the barriers that prevent people from seeking help, accessing services, and changing course. The CSJ consistently hears about community groups that will *'go the extra mile, and consequently gain the trust of 'clients' of statutory services'*.<sup>376</sup>

The relevance of strong social capital – strong relationships with your neighbours, family members, and colleagues – is more pronounced for the most vulnerable in society, the poorest. Family members are the ones that often provide emergency childcare, financial support, or a roof over someone's head when things get tough. The friendly neighbour delivering food parcels or medicine was perhaps the unsung hero of 2020 as they helped support the most vulnerable during the pandemic. Without positive daily interactions, life can seem void and pointless – *'Economic independence without social interdependence may indicate a secure income but cannot assure human flourishing'*.<sup>377</sup>

In Oldham, Focused Care (a social prescriber) works with the most marginalised and vulnerable people in their community helping each person find access to benefits and accommodation, distributes foodbank vouchers, signposts mental health support and even advocates on behalf of patients with child services. Its success is rooted in allowing each Focused Care worker to build a close relationship with each patient. Mobile phone numbers are exchanged, regular updates made by text, home visits arranged when necessary, and most importantly, a sense of trust and willingness to co-operate. People who go through Focused Care are more likely to be economically and emotionally independent in the near future.

At a fundamental level, as the schools closed down and children spent six months at home, our closest relationships were also exposed in their best and worst ways. While domestic violence spiked in some households, for others, it was an opportunity to spend more time with family.

While the CSJ has always known the strengths and argued for the importance of stable, loving families, this crisis has exposed their fundamental importance. For those children in less stable homes, we should expect stark problems with mental health, education, and behaviour in the months ahead.

The idea that relationships and participation in community events boosts personal wellbeing is not revelatory. The ONS measures wellbeing by looking at proxies (that it knows are inextricably linked) – belonging to a neighbourhood, volunteering, and participation in arts, culture and sport.<sup>378</sup>

Strong relationships forged in the years before the pandemic became invaluable as Britain was plunged into lockdown. Staff at Focused Care spoke of neighbours and family members looking out for each other. Voluntary groups working with local councils tried to fill in gaps. And relationships at service level bore fruit – Focused Care workers,

<sup>376</sup> *ibid*

<sup>377</sup> Centre for Social Justice, *Community Capital: How purposeful participation empowers humans to flourish* (19 September 2019)

<sup>378</sup> Centre for Social Justice, *Community Capital: How purposeful participation empowers humans to flourish* (19 September 2019)

active in the community for years, were able to get ahead of the curve with new local authority initiatives. In summary, strong relationships grease the wheels of community outreach and services.

## part three | chapter two

# A new political settlement is needed

**Of course, we need to invest in our social progress, but pouring money into moribund systems will not bring about necessary change.**

Hillary Cottam, 2018

### New fiscal principles

It is clear that a significant period of post-Covid financial planning will be required by the British Government. The size of the fiscal challenge is greater than in 2009 and 2010 when the Government recorded deficits of 7.5 per cent and 10 per cent, or in the '70s when budget deficit reached 6 per cent.

Whereas the 2010–2016 economic agenda under David Cameron and George Osborne advocated for looser monetary policy and budget cuts, the public support for the austerity agenda has eroded.

In the immediate period after the May 2010 General Election which saw the creation of the Coalition Government, polling found a significant proportion of the British public felt austerity was good for the economy and that Labour was to blame for necessary spending cuts. In June 2010 a YouGov poll found public support for budget cuts stood at 53 per cent, with 28 per cent opposing.<sup>379</sup> A 2011 poll for Channel 4, also conducted by YouGov found voters supported cuts to welfare, with *'58 per cent either thought the balance was right (34 per cent) or would support even larger cuts to benefits (24 per cent)'*.<sup>380</sup> Anthony Wells wrote for YouGov in 2011 that *'a majority of the public continues to think that the cuts are required. 55 per cent of people think the cuts are necessary'*. There is also evidence to suggest that despite a mid-term loss of confidence for austerity,<sup>381</sup> the Conservative Party won the 2015 General Election with its message of fiscal prudence and sound financial management. The same YouGov tracker on Government cuts found public support for cuts at 48 per cent, with 35 per cent opposed.<sup>382</sup>

379 Stanley, L. What six public opinion graphs tell us about austerity (SPERI, 8 July 2015)

380 Wells, A. Strong public support for benefit cuts (YouGov, 16 May 2011)

381 Wells, A. Attitudes to the spending cuts (YouGov, 16 May 2011)

382 Stanley, L. What six public opinion graphs tell us about austerity (SPERI, 8 July 2015)

However, in 2016 polling showed *'The net percentage of British people who say government cuts are necessary (+12) is the lowest since we started asking the question in February 2011 (+21).'*<sup>383</sup> In 2018 Prime Minister Theresa May was applauded for calling an end to austerity. By 2019 41 per cent of the British public felt businesses do not pay enough tax, versus 26 per cent who felt they do.<sup>384</sup> Around the same time, a poll found 53 per cent of the British public believe taxes on the rich are too low (27 per cent felt they were about right, while 15 per cent felt they were too high).<sup>385</sup>

By the time the Covid-19 crisis hit Prime Minister Boris Johnson was reported to have said there was *'no question of a return to austerity'* while some conservative think tanks supported increased public spending.<sup>386</sup>

It is, therefore, time for the Government to forge a new economic contract with the British public. The Government must keep its commitment to manage the public finances prudently, a return to the 1970s when Britain needed to access a bailout from the IMF would be politically and economically disastrous for the country. The CSJ has always said there is nothing socially just about bankrupting the country. The Government must also respect the fact that business growth is the long-term determinant of economic growth, and businesses thrive in low tax environments. However, aside from its commitment to sound public money and the business environment, it must address the huge fiscal deficit left by Covid-19, as well as a growing sense of economic injustice and a lack of equity in our collective economic growth.

In the months ahead, the government will have to make some very hard decisions on taxation, borrowing and investment to plug the hole created in the last six months. But at the heart of these decisions, it must choose to boost employment and protect the poorest in society.

### Recommendation 1

The Government should set out a new set of fiscal principles. These principles should guide the Government's fiscal strategy, in terms of both spending and taxation. These new fiscal principles should centre on being:

- **Pro-business:** Fiscal policy should be unashamedly pro-business. Businesses create jobs which offer people incomes, purpose, and economic opportunity. Without a thriving private sector, the opportunities that work provides to people will be heavily diminished.
- **Anti-poverty:** People below the poverty line should be supported in terms of both reducing their tax burden and through specific spending measures (such as UC). The CSJ has always believed that poverty is not just a lack of financial capital, but a loss of social capital too. However, by supporting incomes for the most vulnerable, Government is able to give people a leg up on to the road to recovery.

383 Dahlgren, W. Approval of government cuts at lowest level for years (YouGov, 16 March 2016)

384 YouGov, Do businesses pay enough tax in the UK? [accessed via: <https://yougov.co.uk/topics/politics/trackers/do-businesses-pay-enough-tax-in-the-uk>]

385 YouGov, Are taxes on the rich too high or low in Britain? [accessed via: <https://yougov.co.uk/topics/politics/trackers/are-taxes-on-the-rich-too-high-or-low-in-britain>]

386 [www.theguardian.com/politics/2020/may/16/thatcherite-thinktanks-back-increase-public-spending-in-lockdown](http://www.theguardian.com/politics/2020/may/16/thatcherite-thinktanks-back-increase-public-spending-in-lockdown)

## Recommendation 2

A new fiscal rule – Britain’s long-term fiscal record is increasingly disappointing. For the last 20 years, average growth rates have been half the rate of borrowing. Productivity has stagnated, and long-term efforts to lower the public debt burden have failed. Debt is now larger than the size of the economy; in nominal terms, the UK has added £1 trillion to the public debt in the last 10 years. A new fiscal rule should resemble the following:

- Net Public Borrowing as a percentage of GDP should not exceed the average growth rate of the economy over a three-year period.

This should force Government to consider more selective uses of public spending, reduce the over-reliance on the taxpayer for economic activity, and forced to generate economic growth via supply-side reforms in the private sector.

## A new focus on civil society and community

The Conservative party in Government have done much to advance the notion of civil society. David Cameron’s Big Society sought to empower local actors and agents of change to fill in where the state was redundant. This was a further iteration of what Beveridge, the father of modern welfare, articulated in his pamphlet *Voluntary Action*. Beveridge said, ‘*Vigour and abundance of Voluntary Action outside one’s home, individually, and in association with other citizens, for bettering one’s own life and that of one’s fellows are the distinguishing marks of a free society*’.<sup>387</sup> And in 2018 the Government of Theresa May released a Civil Society Strategy which said, ‘*social value flows from thriving communities... [and] By social value we mean enriched lives and a fairer society for all*’.<sup>388</sup>

Now more than ever, the Government needs to take community and civil society seriously. Not only do community volunteers offer a more financially efficient way of delivering key services, but also a more robust and effective way of ensuring the most disadvantaged get the help they need, in a way that empowers them. As outlined above, embedded in community groups are relationships between people that are far stronger than the contractual arrangements that bind private companies to delivering public services.

The commitment of frontline workers is remarkable, but no amount of work by a work coach, nurse, housing officer or community police officer will supplant the value of a friendly face, a shoulder to cry on, and the calm help offered by a neighbour.

The modern era has been unkind to the notion of community, in its more traditional sense of physical interactions and relationships. While online communities have proliferated with the near universal ubiquity of internet access, so physical community has declined with the demise of social infrastructure:

- 28,000 pubs have closed since the 1970s
- 121 local libraries have closed since 2016 alone

<sup>387</sup> Beveridge, W. *Voluntary Action* (1948)

<sup>388</sup> Department for Media, Culture and Sport, *Civil Society Strategy: Building A Future That Works For Everyone* (Gov.uk, 9 August 2018) [accessed via: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/732764/Executive\\_summary\\_-\\_Civil\\_Society\\_Strategy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732764/Executive_summary_-_Civil_Society_Strategy.pdf)]

- 762 high street banking outlets close in Britain every year.
- 1,200 Children's Centre's have shut since 2010.
- The number of Bingo Halls declined by one-third between 2005 and 2014.
- 214 playground facilities were shut down from 2014 to 2018.
- One in five regional museums closed in 2015.<sup>389</sup>

We are more lonely than previous generations. Over 9 million people in the UK say they are always or often lonely.<sup>390</sup> Local economies have struggled in the post-industrial era. London hoovers up graduates, professional jobs, and high growth industries in tech and science. Retail increasingly takes place online. Manufacturing has never regained the foothold in local communities it had in the middle of the 20th Century. As a result, jobs are increasingly sparse in rural, seaside and small ex-industrial towns across the UK. High skilled workers move out of home to University and rarely come back as jobs are found in cities like Manchester, Leeds, Birmingham and of course London.

CSJ Research in 2017/18 found that many ex-industrial towns had struggled in the period since the 80s and 90s. Towns like Hartlepool, Doncaster, Bradford, and Mansfield, have seen comparatively worse levels of crime, family breakdown, low educational attainment and what jobs were created tended to be low skilled and low paid.

There is, of course, no doubt that economics plays a role in bringing back a sense of community, but so does the effective delivery of public services, and poverty reduction strategies in themselves require a strong commitment to community action. *'In the UK today, family breakdown, the departure of local economies, and bureaucracy in public services, has changed the face of relationships, employment and participation, to the detriment of purposeful participation in community.'*<sup>391</sup>

The first step towards empowering communities and local economies should, therefore, be about tackling local poverty and deprivation. The 2018 CSJ report *Regional Revolution* called for Government departments to work with local authorities to reduce levels of local crime, increase educational attainment, support stronger families through the reintroduction of Family Hubs and roll out Universal Support (a social prescribing programme).<sup>392</sup> This can only happen through a devolution of power.

### Recommendation 3

Government should devolve more power to local authorities, increase the number of Combined Authorities, and the diversion of taxpayer funds to tackle poverty and social deprivation in ex-industrial towns. Without stronger local economies, stronger communities are much harder to achieve.

389 Centre for Social Justice, *Community Capital: How purposeful participation empowers humans to flourish* (19 September 2019)

390 Campaign to End Loneliness [accessed via: [www.campaigntoendloneliness.org/loneliness-research/](http://www.campaigntoendloneliness.org/loneliness-research/)]

391 Centre for Social Justice, *Community Capital: How purposeful participation empowers humans to flourish* (19 September 2019)

392 Centre for Social Justice, *Regional Revolution: Rebalancing growth and opportunity in post-industrial Britain* (September 2018)

Strengthening social bonds and community in 21st Century Britain is a titanic job ahead of this administration at every level. YouGov polling shows that British people remain on good terms with their neighbours (but this is more likely to occur among older age groups),<sup>393</sup> however fewer of us admit to being able to recognise if something is going wrong behind the door of our neighbour (e.g. domestic violence)<sup>394</sup> and most of us admit that we are more likely to know what is going on in the life of our favourite celebrity than our neighbour.<sup>395</sup>

But community must mean more than this – it involves purposeful participation in community events, volunteering, interaction with others that share the same physical space as you (whether that is at work or at home). The benefits do not just accrue to the most vulnerable in society – volunteering has been linked to better mental health and is an antidote to loneliness.<sup>396</sup> For that reason, social infrastructure is essential. As the CSJ has pointed out, '*We need the physical places that enable people to come together and so forge strong relationships that foster interdependence, rather than leaving people in need dependent on state services*'.<sup>397</sup>

#### Recommendation 4

The Government should introduce an 'asset-based' element to the Universal Credit claimant commitment by incorporating volunteering, or other community-based purposeful activity. At their discretion, work coaches should be empowered to instruct claimants to reserve 10 of the 35 expected hours per week for this purpose. We believe that this will improve claimants' wellbeing while job-seeking, making it a more productive period. This may be particularly appropriate for younger claimants with little work experience. Job Centres should work with local Councils of Voluntary Services (CVS) and social prescribers to find the right opportunity for their claimants.

#### Recommendation 5

All local authorities should establish a community ownership strategy which includes the necessary commitment to invest in the provision of ongoing support for community groups to make a success of asset transfers.

393 YouGov, Good neighbours... good friends? (14 April 2010) [accessed via: <https://yougov.co.uk/topics/lifestyle/articles-reports/2010/04/14/good-neighbours-good-friends>]

394 YouGov, Good Neighbours? (14 May 2013) [accessed via: <https://yougov.co.uk/topics/politics/articles-reports/2013/05/14/neighbours>]

395 YouGov, No longer such good neighbours (15 June 2010) [accessed via: <https://yougov.co.uk/topics/lifestyle/articles-reports/2010/06/15/no-longer-such-good-neighbours>]

396 [www.theguardian.com/world/2019/jan/25/new-big-society-britons-volunteer-survey-reveals-benefit-mental-health-loneliness-antidote](http://www.theguardian.com/world/2019/jan/25/new-big-society-britons-volunteer-survey-reveals-benefit-mental-health-loneliness-antidote)

397 Centre for Social Justice, Community Capital: How purposeful participation empowers humans to flourish (19 September 2019)

## A new relationship between people and the state

The Government is faced with the unenviable task of reducing a record budget deficit and public debt burden. This will require difficult financial decisions in the short term and the reform of public service delivery, making our state more efficient, in the longer term. Fortunately for the Government, there is ample evidence to suggest reducing the footprint of the state does not make our public services any less effective. In fact, by placing more responsibility with people, local services, and community groups, it is likely we will see better outcomes for the most vulnerable in the long term.

That is because top-down state-run services are limited in their impact. A state-run social security system, police force and health service are of course cornerstones of our society, and we do not advocate any large scrapping of these (and other) institutions. However, they are impersonal, bureaucratic, systemised to maximise output and minimise costs, inflexible and prone to letting a minority fall through the cracks.

Universal Credit is a stellar example. It is a widely lauded and supported reform to a welfare system that was expensive, ineffective, and a contributor to very bad unintended consequences. Since it has been rolled out, nearly 5 million people are now claiming a single entitlement that better reflects their employment status and earnings. People no longer find themselves better off on benefits than they would in work. Its performance during the pandemic solidified UC as one of the most comprehensive social security systems in the Western world, supporting more than 2 million people to get income support in the space of just days and weeks.

But Universal Credit is not the single answer to poverty and welfare dependency. The most vulnerable in society need more than just a welfare check; they need holistic support. Many find it difficult to access Universal Credit online, attend appointments, and dedicate time to looking for work while juggling caring obligations to dependents or relatives. As a result, the introduction of Universal Credit has been difficult for some. Universal Support was therefore designed to connect marginalised and vulnerable claimants with support workers who can help them both claim UC but also tackle some of the other barriers that obstruct their lives (an addiction, homelessness, poor digital or financial literacy etc.).

A more personal system of support was envisaged by Hillary Cottam in her book *Radical Help*. Her call for a reformed set of public services was less about 'how can we fix services, but rather... how can I support you to create change'.<sup>398</sup> In achieving this aim of helping people to create change she set up experiments that placed human relationships and co-operation at the centre, 'Of course we need to invest in our social progress, but pouring money in to moribund systems will not bring about necessary change... [instead] At the heart of this new way of working is human connection. I have learnt that when people feel supported by strong human relationships, change happens. And when we design new systems that make this sort of collaboration and connection feel simple and easy, people want to join in'.<sup>399</sup> There is a lot to unpack in Cottam's analysis, and some of her experiments were more successful than others. Many of those that did succeed were able to do so because of her own dogged determination and ambition. Expecting

---

398 Cottam, H. *Radical Help* (Virago Publishing, 2018)

399 Cottam, H. *Radical Help* (Virago Publishing, 2018)



to roll out similar services across the country with similar results would be naive. But the principles of being more person-centric, with fewer siloed services, and a delivery model that encourages co-operation and kinship is valid as is the hope that public intervention fosters independence in the individual, not never-ending dependence of the individual on the service.

## The Wigan Deal

Wigan Council has led the way in establishing a new model of service delivery that is run on a tighter budget but ensures great outcomes. Since 2010 Wigan has seen its budget decline by £160 million, however social outcomes have improved – life expectancy has increased by seven years in the most deprived areas, and there has been a fall in demand for formal services (8,818 people in 2013/14 to 7,782 in 2016/17).

This new mode of delivery was known as the Wigan Deal, and involved an agreement between the Council and the local residents ‘to work together to create a better borough’.

### How did they do it?

- **Community Asset Transfer:** Wigan Council, as part of The Deal, empowered communities through promoting asset transfers and supporting recipients to manage the asset, and have made substantial social returns. Re-purposing buildings for community use might mean that residents are in closer proximity to support, reducing the Council’s spending on transport to another location. Wigan Council actively invites community groups to express interest in assets, and offer ongoing support through a third party to assess ‘readiness’ and ensure the transfer is successful.

An example of this in action would be the Beehive Community Centre in Wigan. The Lindale Hall Adult Day Centre was underused, offering limited activities just two days per week. The asset was transferred to a newly formed group, Beehive Community Group, who secured £10,000 in investment start-up funding from Wigan Council. Now the Centre is open up to seven days a week, staffed by one full-time member of staff and 10 volunteers, seeing around 300 visitors each week for Café and Luncheon Club, Children’s groups, Dance & Fitness Groups and Advice Services (and more).

Guidance issued in 2003 related to the Local Government Act 1972 by giving local authorities ‘General Disposal Consent’, which granted greater freedom to exercise discretion in the disposal of land.<sup>400</sup> For as little as £1, ‘where it is clear it is for the good of the community’ assets could be sold to a range of community-based organisations. Importantly, the specified circumstances envisaged are that assets are to be disposed of to promote economic, social and environmental wellbeing.

- **Replacing grants with investments:** Rather than grant-giving, Wigan describe their initiative designed to get more money into the hands of local people who are well placed to respond to local needs, as ‘investing’. This language marks a more collaborative relationship. The guiding principle of the investment fund is the expectation that,

400 Mark Sandford, Assets of Community Value, House of Commons Library, Commons Briefing Papers Sn06366, 28 April 2017

with the support of the Council, projects should be self-sustaining. However, relevant councillors are notified of unsuccessful applications to consider the feasibility of funding through other means.

The King's Fund report that instead of rigid performance indicators, monitoring is now based on the high-level goals which the recipient organisation have a key role in setting.<sup>401</sup> Crucially, a Council Scrutiny Committee found that 'the community has taken responsibility and ownership for designing, producing and presenting a Deal for Communities Investment Fund support package' which recipients have found to be a 'flexible and supportive programme, in which there was an equal relationship between Wigan Council and the funded groups'.<sup>402</sup>

While a grant suggests that there are no strings attached, an investment demonstrates a closer relationship with the community and greater trust in their ability to spend public money well. Voluntary sector leaders explained to the King's Fund that apart from the fund, the wider support package which includes help to develop and scale the support and named mentors, has given recipients the 'credibility and confidence' to apply for additional money from other funders.<sup>403</sup> Since 2013, Wigan Council's Communities Investment Fund has invested £10 million in community and voluntary organisations within the borough, which has leveraged a further £5.5 million of external funding.<sup>404</sup>

Former Chief Executive, Donna Hall said 'You know your local area better than we do which is why we have created the opportunity for the community to take control and make a difference'.<sup>405</sup> As of September 2018, the Council Scrutiny Committee found that the Community Investment Fund, through supporting local groups, had achieved the following:

- over 460,000 attendances at groups across the borough.
- 11,413 community activities delivered.
- 4,175 residents diverted from frontline services.
- 142 residents supported into employment.
- 965 volunteers delivering 23,088 hours of support across the Borough.
- 5 organisations securing national and regional recognition, totalling 7 awards.
- 2 organisations receiving the Queens Award.<sup>406</sup>

An internal evaluation estimated that over the first four years, the fund delivered a social return on investment of £1.63 for each £1 invested, with the main financial benefits coming from supporting people into employment, reducing demand for health, social care and other public services, the provision of food parcels and volunteers' time contribution.<sup>407</sup>

---

401 The King's Fund, A citizen-led approach to health and care: Lessons from the Wigan Deal, London: The King's Fund, 2019

402 Wigan Council, Confident Council Scrutiny Committee, 2018

403 The King's Fund, A citizen-led approach to health and care: Lessons from the Wigan Deal, London: The King's Fund, 2019

404 Ibid

405 The Doctor, Prescribing Hope, London: BMA, 2019, pg 3

406 Wigan Council, Confident Council Scrutiny Committee, 2018

407 The King's Fund, A citizen-led approach to health and care: Lessons from the Wigan Deal, London: The King's Fund, 2019

There is no reason why Wigan cannot be a blueprint for the rest of the UK. Wigan, like many other towns, has struggled in the post-industrial era to generate jobs at the same rate as larger cities like Manchester or towns in the South East near London. In 2010 GCSE results were in the bottom third in the country, below the average for the North West and England.<sup>408</sup> In 2010, Greater Manchester had a productivity rate<sup>409</sup> that was 10 per cent below England.<sup>410</sup> Budget cuts and high demand for services has not deterred the local council from helping to support the most vulnerable in their community.

---

408 Official Statistics, GCSE and equivalent results: 2010 to 2011 (revised) [accessed via: [www.gov.uk/government/statistics/revised-gcse-and-equivalent-results-in-england-academic-year-2010-to-2011](http://www.gov.uk/government/statistics/revised-gcse-and-equivalent-results-in-england-academic-year-2010-to-2011)]

409 Note: Nominal GVA (£) per hour worked

410 ONS, Subregional productivity: labour productivity indices by UK NUTS2 and NUTS3 subregions (28 February 2020) [accessed via: [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivitygvaaperhourworkedandgvaaperfilledjobindicesbyuknuts2andnuts3subregions](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivitygvaaperhourworkedandgvaaperfilledjobindicesbyuknuts2andnuts3subregions)]

## part three | chapter three

# The New Britain Deal

Wigan Council signed 'a deal' with the people of Wigan that outlined its responsibilities as a council and deliverer of public services, but also the responsibilities of residents to help their community prosper. In doing so, the Council was able to save £115 million, achieve better social and economic outcomes, and set the bar for public service delivery in local authorities around the country. The Wigan Deal went as follows:

Wigan Council	Wigan Residents
Keep your council tax as one of the lowest	Recycle more, recycle right
Help communities support each other	Get involved in your community
Cut red tape and provide value for money	Get online
Build services around you and your family	Be healthy and be active
Create opportunities for young people	Help protect children and the vulnerable
Support the local economy to grow	Support your local businesses
Listen, be open, honest and friendly	Have your say and tell us if we get it wrong
Believe in our borough	Believe in our borough

The principle of the Wigan Deal, asking citizens to take responsibility in return for a more responsible state, is something that can be adopted by the British Government in the aftermath of Covid, matching the responsibilities of government with the responsibilities of citizens. For example:

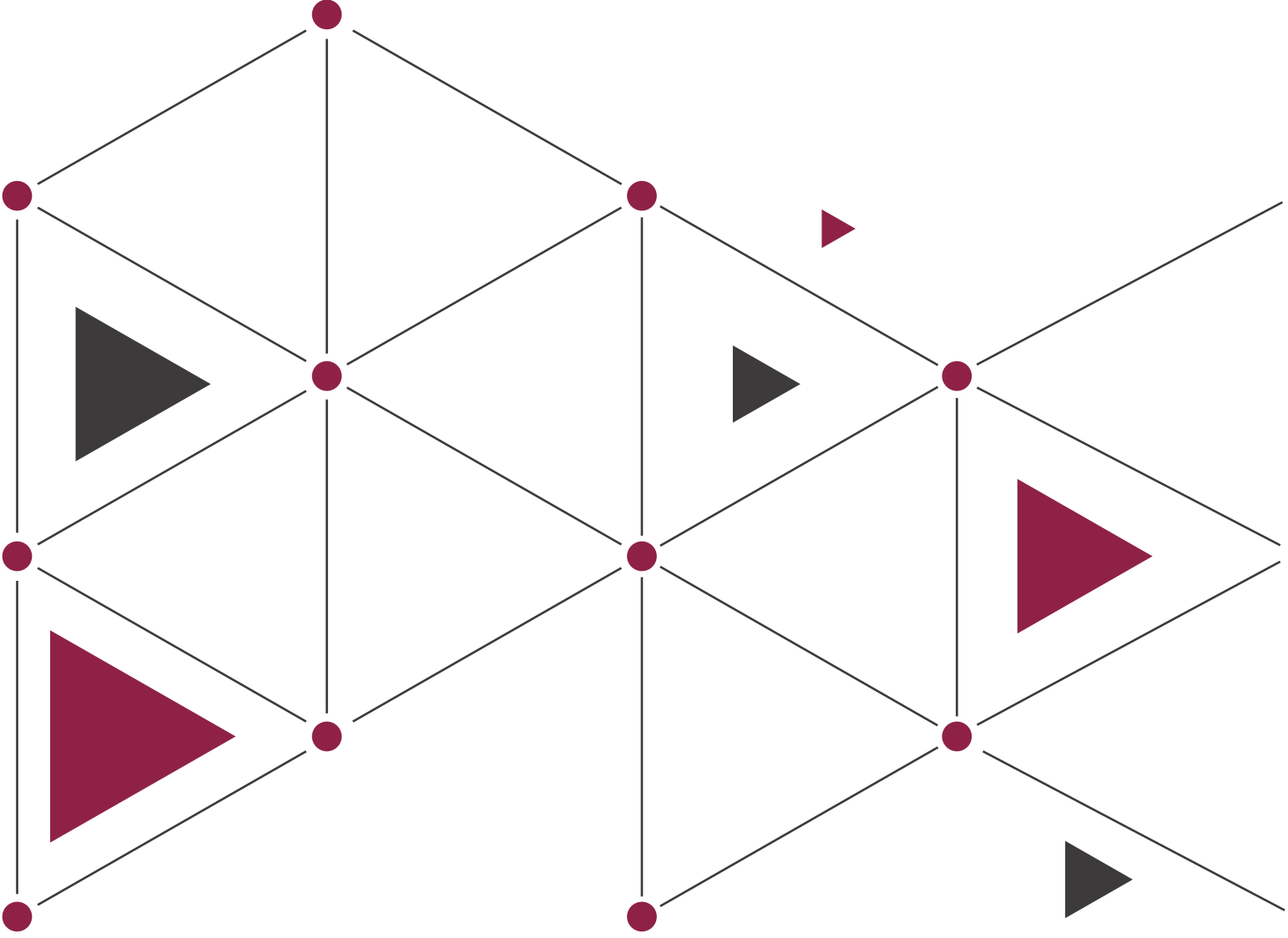
	The British People	The British Government
Me and my family	Parents support their child's stability and learning at home	Every child has access to a great education
	People take steps to exercise, eat and live healthily	The NHS remains a world-leading health service
	Look after and support elderly family members	A social care system that's funded and fit for the 21st Century
My community	Save for your future whenever possible	Provide a comprehensive social security system, available to all
	Play an active role in your community and look out for your neighbours	Devolve funding and power to a more local level wherever possible
My nation	Respect and uphold the law	A community-led police force with public safety at its heart
	Work and pay taxes wherever possible	Keep taxes low and support a strong economy and labour market
	Recycle and look after our green and natural environment	Take steps to reduce the country's carbon footprint

This deal between the Government and the British people will ensure both a more streamlined public sector, but also a cleaner environment, better support for the elderly, a population more resilient to recessions, stronger communities, a thriving economy, a safer society with a strong sense of law and order, a healthier population, and a brighter future for our children.

---

**Recommendation 6**

The Government should use the Wigan Deal as the blueprint for a national deal between state and citizens. This would be a generational effort. The primary aim would be a healthier, happier and more productive nation but also the more efficient delivery of public services, and the long-term reduction of poverty in the UK. This should take the form of a New Britain Deal.



The Centre for Social Justice  
Kings Buildings,  
16 Smith Square,  
Westminster, SW1P 3HQ

[www.centreforsocialjustice.org.uk](http://www.centreforsocialjustice.org.uk)  
@csjthinktank