

# TWO NATIONS

The State of Poverty in the UK

An interim report on the state of the nation

December 2023



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# About the Centre for Social Justice

Established in 2004, the Centre for Social Justice 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. We also draw upon our CSJ Alliance, a unique group of charities, social enterprises, and other grass-roots organisations that have a proven track-record of reversing social breakdown across the UK.

The social challenges facing Britain remain serious. In 2023 and beyond, we will continue to advance the cause of social justice so that more people can continue to fulfil their potential.

# Acknowledgments

We are very grateful to the individuals and organisations who have kindly given up their time and shared their knowledge and expertise with us during our Social Justice Commission research over the past year and a half. Their work is vital in the fight against poverty, and we are thankful for their time, expertise and guidance.

Firstly, we would like to thank those who hosted the Social Justice Commission for a visit including: Back on the Map; Caritas; Chess Homeless; Community Campus 87; Family Toolkit; Ferries Family Group; Foundation Years Trust; Hetty's; Home Group; Involve; Koala NW; Lads Need Dads; Livin; Llanhilleth Miners Institute; NuCastle Foundation; Oasis Community Centre; Oasis Community Housing; Rush House Rotherham; Really Neet Project; Shaftesbury Youth Club; Shared Health Foundation; Tempus Novo/HMP Leeds; The Link Community Hub; Trevi Women; Valleys Kids; WEB Merseyside; and Wirral Borough Council.

We would also like to thank those who gave evidence to the Commission through a virtual meeting or virtual roundtable including: Blackpool Council; Boathouse Youth; Boxwise; Bristol Council; Centre for Fun and Families; Crispin School; Cumbria Youth Alliance; Dallaglio Rugbyworks; Everton FC; Football Beyond Borders; Greater Manchester Police; Greenhouse Sport; Khulisa; Love4Life; Manchester City Council; Norfolk Council; Passion for Learning; Queen's Crescent Community Association; Schools Wellbeing Partnership; Sheffield Council; Staffordshire Council; The Salvation Army; and West London Zone.

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We would further like to thank those who responded to a Call for Evidence, including: Action for Children; Building Futures Together C.I.C; Cardiff People First; Caring & Sharing Trust; Children North East; CPAG; Christians Against Poverty; Citizens Advice; Citizens Advice Newcastle; Clean Slate Training and Employment; Coalfields Regeneration Trust; Crisis; Daniel Reast; Eric Wright Charitable Trust; Good Faith Partnership; Growing Zone; Home Office; Impact Organisations; In Kind Direct; Larches Highschool; Magic Breakfast; Paddy Radcliffe; Reflection's House; St Mary's Catholic School Chesterfield Governors Board; Sense; Tots to Travel; Understanding Society and University of Essex; Warning Zone Children's Centre, and Wesley Hall Community Centre.

Finally, we would like to extend a special thank you to the sponsor of this report, Matthew Ferrey, without whom this work would not have been possible.

## Big Listens



The Big Listen events were supported by a grant from the Charities Aid Foundation (CAF) and a donation from the Henry Smith Charity. We are hugely grateful to these organisations for enabling these crucial events.

Thank you to those who spoke at our Big Listen events; The Rt. Hon. Jonathan Ashworth MP (via video link), Rt Hon Sir Iain Duncan Smith MP, Jane Hutt MS, Carolyn Harris MP and Rt Hon Andy Burnham MP.

Thank you also to our Big Listen attendees, including:

### Midlands

- Action Homeless
- b-inspired
- Carpenters Arms
- Centre For Fun And Families Ltd
- Charnwood Borough Council
- Chell Area Family Action Group
- Coalville CAN
- Double Impact Services
- Eagle's Nest Project
- Exaireo
- Falcon Support Services
- free@last
- Gamcare
- Grace Enterprises Nottingham
- Healing Little Hearts
- Helping Hands Community Trust
- Hettys
- Highfields Centre
- Jericho
- Leicestershire Cares
- Lincolnshire Action Trust (LAT)
- Loughborough Wellbeing Centre CIO
- Melton Learning Hub
- Menphys
- Midland Langar Seva Society
- POW Nottingham
- Reaching People (Leicestershire Voluntary Sector Resource Agency)
- Rebuild East Midlands
- Shama Women's Centre
- S.H.E. UK
- Sharewear Clothing Scheme
- St Anne's Advice Centre
- The Arc Community Hub (Grange Park Centre)
- The Baca Charity
- The Ebb
- The Marios Tinenti Centre
- The New Futures Project
- Trussell Trust
- Twenty:Twenty (Love4Life)
- Villiers Park
- Warning Zone
- Wesley Hall Community Centre
- Young Leicestershire
- Zinthyia Ganeshpanchan Trust

### London

- Alexandra Rose Charity
- Beam
- Beyond Food
- Camden Giving
- CAPE Mentors Charitable Trust
- Coach Core Foundation
- Dallaglio RugbyWorks
- Dot Dot Fire
- Drug FAM
- Family Links the Centre for Emotional Health
- Fat Macy's
- First Love Foundation
- Football Beyond Borders
- Future Men
- Hope at Home
- Hope Community Foundation
- It's Your Life
- Kalayaan
- Khulisa
- Power2
- ProxyAddress
- Restitute C.I.C
- Riverbank Trust
- Scene & Heard
- Sister System
- Spark Inside
- Steps2Recovery
- Universify Education
- Veterans Aid
- Your Dream Factory

## Yorkshire

- Barclays
- Basement Recovery Project
- Better Leeds Communities
- Burmantofts Community Projects
- Calderdale Council
- Calderdale Smart Move/ Happy Days UK
- Channel 4 News
- Coalfields Regeneration Trust
- Damasq Ltd
- Dewsbury Community Outreach
- Fareshare Yorkshire
- Freedom4girls
- G.A.S.P.E.D (Greater Awareness and Support for Parents Encountering Drugs)
- Getaway Girls
- GIPSIL
- Impact on Urban Health
- Isabel Spence
- Leeds Community Foundation
- Leeds City Council
- Leeds Food Aid Network
- Leeds Building Society
- Leeds Homeless Charter
- Leeds North and West Foodbank
- Leeds Rhinos Foundation
- Leeds South and East Foodbank
- Little Hiccups
- Lloyds Bank Foundation
- Maggie's
- Mantality
- Mencap
- Mindwell
- Money Buddies
- National Lottery Community Fund
- NWY Asbah
- OutKast Panda Crew C.I.C
- Places for People
- Purple Patch Arts
- Redmayne Bentley
- Reflection's House
- Salvation Army
- Sense
- Sir George Martin Trust
- SNAPS
- South Yorkshire Community Foundation
- Stop Loan Sharks
- Tempus Novo
- The Craven Trust
- The Hey Smile Foundation
- The Growing Zone Group C.I.C
- The Hinge Centre
- The Hull Lighthouse Project
- The Linacre Institute
- The Link Community Hub
- The Really Neet Project
- The Snowdrop Project
- Tog24
- Transforming Lives for Good
- Unity in Poverty Action
- Verd De Gris Arts
- Voice 21
- Wakefield and District Health and Community Support
- West Yorkshire Community Chaplaincy Project
- Womble Bond Dickinson
- Wilderness Adventures
- Yes Your Event Solutions
- Zurich Community Trust

## North West

- Abbots Moss Ventures
- AP Coaching and Mentoring Academy CIC
- Audacious Foundation
- Barnabus Manchester
- B Corp
- Beauty for Ashes Refuge
- BeeWell
- Brewin Dolphin
- Caritas Shrewsbury
- Castlefield Investment Partners LLP
- Charity COMMUNITY
- Civic Power Fund
- Cheshire Community Foundation
- Coaching Inside and Out
- Community Arts by ZK CIC
- Cumbria Youth Alliance
- Diversity Matters North West
- Empowerment CIC
- Feedback
- Ferries Family Group
- Focused Care
- Forever Manchester
- Foundation Youth Trust
- GMCA
- GM Mayor's Charity
- Greater Manchester Housing First
- Greater Manchester Poverty Action (GMPA)
- Green Pastures
- Healthbox CIC
- Hope Central
- Hope Citadel
- Humans MCR
- Independent Community Action Network North (ICANN)
- Involve Northwest
- John Haynes Foundation
- Koala North West
- L30 Community Centre
- Lancaster District Community & Volunteering Solutions
- Lifeshare
- Liverpool Cares
- Manchester Credit Union
- Mustard Tree

- New Beginnings Foundation CIO
- Oasis
- Participate Projects
- Power2
- Pure Insight
- Recycling Ford
- Rochdale Women's Welfare
- Rushhouse
- Salford Foundation
- Salford Loaves & Fishes
- Shaftesbury Youth Club
- Shared Health Foundation
- Shoosmiths
- Signpost Stockport for Carers
- St Andrew's Community Network
- ST4ND
- Teardrops Supporting Your Community
- The Boathouse Youth
- The Bond Board
- The Counselling and Family Centre
- The Oasis Centre Community Project – East Manchester
- The River Manchester
- The Storehouse Project
- The Wishing Well
- Trust House Bury
- Tutor Trust
- We Mind the Gap
- Young Manchester
- Young People's Foundation Trust
- YPAC Manchester

## Wales

- Aberconwy Domestic Abuse Service
- Admiral Group
- Advance Brighter Futures
- Ategi
- Bedford Street Community
- Brighter Futures
- Bro Ddyfi Advice Centre
- Cardiff People First
- Cardiff YMCA
- Cathays and Central Youth and Community Project
- Community Foundation Wales
- Coalfields Regeneration Trust
- Credu Supporting Young and Adult Carers Ltd
- CREST
- cwmpas
- Dwr Cymru Welsh Water
- Empire Fighting Chance
- Enbarr Foundation C.I.C
- Faith in Families
- Family Fund Trust
- Foothold Cymru
- Geldards
- Gellideg Foundation Community Association
- Home4U
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- Lloyds Bank Foundation for England and Wales
- Oasis Cardiff
- Pencader Family Centre
- PAVO
- Plant Dewi
- Purple Shoots Business Lending Ltd
- Rekindle
- Resolven Building Blocks
- Safer Merthyr Tydfil
- Swansea Community Farm
- Tanyard Youth Project
- The CAE
- The Game Change Project CIC
- The Henry Smith Charity
- The Leathersellers' Company Charitable Trust
- The Mentor Ring
- The National Lottery Community Fund
- Awards for All Wales
- The Tudor Trust
- Thrive Women's Aid
- Touch Trust
- TRAC2, and
- Transformation
- Welsh Women's Aid

# With special thanks to our Social Justice Commissioners

## Martin Ivens (Chair)

Martin Ivens is editor of The Times Literary Supplement and former editor of The Sunday Times from 2013 - 2020. He is a renowned political commentator and writes regularly on British political developments.

## Josh Babarinde OBE

Josh is the founder and former CEO of Cracked It, a social enterprise smartphone repair service staffed by ex-offenders and at-risk youth for which he appeared on the Forbes 30 Under 30 Social Entrepreneurs List, and was awarded an OBE. Josh is the Parliamentary Spokesman of the Eastbourne and Willingdon Liberal Democrats.

## Rt Hon Andy Burnham, Mayor of Greater Manchester

Andy Burnham has been Mayor of Greater Manchester since May 2017. Responsible for shaping the future of Greater Manchester, Andy's priorities include building a London-style integrated transport system and ending rough sleeping. Before being elected Mayor of Greater Manchester, Andy was MP for Leigh from 2001. In 2008 he became Secretary of State for Culture, Media and Sport, before returning to Health as Secretary of State in 2009. In opposition, Andy has served as Shadow Education Secretary, Shadow Health Secretary, and Shadow Home Secretary.

## Miriam Cates MP

Miriam Cates is the Conservative MP for Penistone and Stocksbridge and was elected at the 2019 General Election. Cates co-established the New Social Covenant Unit in 2021 with the purpose of strengthening families, communities, and the nation. Miriam also sits on the Commons Education Select Committee.

## Liz Earle MBE

Liz Earle is a successful entrepreneur and is the founder of Liz Earle Wellbeing and Liz Earle Beauty Co. Earle is also a writer and TV presenter, having written over 35 books and has appeared on shows including Good Morning Britain.

## Tim Farron MP

Born in Preston, Lancashire in 1970, Tim Farron was elected Member of Parliament for Westmorland and Lonsdale in 2005. He rose to become President of the Liberal Democrats during the Party's time in coalition government. Succeeding Nick Clegg as Party Leader in 2015, he led the Party through the 2016 EU referendum and the 2017 snap general election.

## Laurance Hancock

Laurance is the Founder and Chief Executive of The Boathouse Youth, Blackpool's leading youth charity, enabling around 1,200 children and young people per year to lead their best lives through participation in effective youth work provision. Laurance is also a strong advocate for the charity sector, particularly grassroots organisations, and has experience as a non-executive director in commercial business.

## The Rt Hon. The Lord King of Lothbury KG GBE DL FBA

Lord King was appointed to the House of Lords in 2013 as a crossbench peer. He is former Governor of the Bank of England from 2003 - 2013, steering the bank through the 2008 financial crisis, and holds the title of Emeritus Professor of Economics at the London School of Economics.



## Mercy Muroki

Mercy Muroki is a social policy researcher, commentator, columnist, and former Commissioner for the Government Commission on Race and Ethnic Disparities. Mercy was previously a presenter on GB News and is currently a Policy Fellow to the Minister for Women and Equalities.

## The Rt Hon. Sir Stephen Timms MP

The Rt Hon Sir Stephen Timms is the Member of Parliament for East Ham. He was the Shadow Minister for Employment from 2010 until September 2015, currently chairs the Work and Pensions Select Committee, and is also the Prime Minister's Trade Envoy to Switzerland and Lichtenstein. Stephen became an MP in 1994 and held a number of ministerial posts under the previous Labour Government, including Chief Secretary to the Treasury and Financial Secretary to the Treasury.

# Foreword

## What a state our nation is in

Next year we will have a general election. Political parties of all stripes will have to prove to the electorate that they are listening, that they hear people's concerns, and that they have credible solutions. Politics still has the power to transform lives. At its best, it is a uniting force that serves every citizen of the country. But what we have heard is that all too often, too many people in the UK feel abandoned by it.

20 years after the Centre for Social Justice's (CSJ) seminal report, *Breakdown Britain*, when it first shone a light into the darkest corners of the UK, the CSJ have established the Social Justice Commission. Our task was to first conduct an unflinching enquiry into what life is like for those struggling the most in the UK today, and then consider a way forward to address the root causes of poverty. *Two Nations* is the first stage of that process, a report into the State of the Nation.

As Commissioners of that investigation, we have sought to ensure that no voice is left unheard so that no person's potential may be left unrealised. We have hosted five landmark "Big Listen" events across the UK, hearing from over 250 frontline charities, social enterprises, and local organisations, working with people in the toughest situations in the country. We spoke to dozens more in meetings and lived experience roundtables to understand the biggest challenges they saw in the fight against poverty. And we have polled over 6,000 people, more than half of whom were from the poorest communities in the UK, to ensure their voices are heard and their lives understood.

What we have found is a deeply divided society – what we have called "two nations".

In short, the state of our nation is unwell, with the deep systemic problems facing those at the bottom of society in danger of becoming entrenched. We have taken evidence from hard-pressed communities across the nation and the message is the same; for too many Britain is broken and the gap between the haves and have-nots is in danger of becoming a chasm.

The story does not end here. Next spring, we will publish our manifesto of solutions. The reason we have spoken to so many small local organisations is that they are already addressing the toughest problems in their neighbourhoods. The solutions are out there if we take the time to find them. Our ambition is simply to multiply what works.

And beyond that will come the general election. Six out of ten people living in the most deprived communities told us they will vote. Addressing their concerns is smart politics, sound economics, and a route to victory. It is also essential for the good of our great nation.

Martin Ivens, Chair of the Social Justice Commission

Josh Babarinde OBE

Rt Hon Andy Burnham, Mayor of Greater Manchester

Miriam Cates MP

Liz Earle MBE

Tim Farron MP

Laurance Hancock

The Rt Hon. The Lord King of Lothbury KG GBE  
DL FBA

Mercy Muroki

The Rt Hon. Sir Stephen Timms MP

# Executive Summary

The country is deeply divided. There are those who are getting by and there are those who are not.

Those left behind face multiple disadvantage and entrenched poverty. For these people work is barely worth it, their lives are marked by generations of family breakdown, their communities are torn apart by addictions and crime, they live in poor quality, expensive, and insecure housing, and they are sick. Our analysis has found that 40 per cent of the most deprived report having a mental health condition compared to just 13 per cent of the general population.<sup>1</sup>

Breakdown Britain, which launched the Centre for Social Justice 20 years ago, conducted an unflinching inquiry into what life at the bottom of society was really like. This landmark report identified family breakdown, addiction, worklessness, serious personal debt, and educational failure as the key drivers of poverty and disadvantage across the nation. Nearly 20 years on, *Two Nations: The State of Poverty in the UK* revisits those five key areas and provides an in-depth analysis of life in the most disadvantaged communities today. A situation which got worse as a result of successive lockdowns.

*Two Nations* has found a yawning gap between those who can get by and those stuck at the bottom. This gap was stretching apart after years of increased family fragility, stagnating wages, poor housing, and frayed community life, but the lockdown implemented during the COVID-19 pandemic was the dynamite that blew it open. During lockdown: calls to a domestic abuse helpline rose 700 per cent;<sup>2</sup> mental ill-health in young people went from one in nine to one in six;<sup>3</sup> and nearly a quarter amongst the oldest children;<sup>4</sup> severe school absence jumped by 134 per cent;<sup>5</sup> 1.2 million more people went on working-age benefits;<sup>6</sup> 86 per cent more people sought help for addictions;<sup>7</sup> prisoners were locked up for more than 22 hours per day,<sup>8</sup> and a household became homeless every three minutes.<sup>9</sup>

**DURING LOCKDOWN:**

*Calls to a domestic abuse helpline rose 700 per cent.<sup>2</sup>*

**DURING LOCKDOWN:**

*86 per cent more people sought help for addictions.<sup>7</sup>*

**DURING LOCKDOWN:**

*A household became homeless every three minutes.<sup>9</sup>*

1 Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25 August 2023 and 2 October 2023

2 Refuge, Refuge's National Domestic Abuse Helpline Service Review 2020/21. Accessed: [refuge.org.uk/wp-content/uploads/2021/03/Refuge-Covid-Service-Report.pdf](https://refuge.org.uk/wp-content/uploads/2021/03/Refuge-Covid-Service-Report.pdf)

3 NHS Digital, Mental Health of Children and Young People in England 2021 - Wave 2 Follow up to the 2017 Survey, 30 September 2021

4 NHS Digital, CSJ analysis of Mental Health of Children and Young People in England, 2023 – wave 4 follow up to the 2017, November 2023

5 CSJ analysis; Department for Education, Pupil Absence in Schools in England: Autumn and Spring Term 2022/23, 2023

6 CSJ analysis; Centre for Social Justice, Feeling the Benefit: How Universal Support Can Help Get Britain Working, October 2022

7 Sky News, COVID-19: How Lockdown Is Taking Its Toll on Millions Caught in Battle With Addiction, 13 February 2021. Accessed: [news.sky.com/story/covid-19-how-lockdown-is-taking-its-toll-on-millions-caught-in-battle-with-addiction-12216562](https://news.sky.com/story/covid-19-how-lockdown-is-taking-its-toll-on-millions-caught-in-battle-with-addiction-12216562)

8 HM Inspectorate of Prisons, What Happens to Prisoners in A Pandemic? A Thematic Review by HM Inspectorate of Prisons, February 2021, p. 3

9 Ministry of Housing, Communities & Local Government, Statistical Data Set: Tables on Homelessness, July 2021

*"I went through anxiety and depression through the lockdown...I isolated myself completely, I never left the house, I never thought I would be like that."*

Pencander Family Centre, Big Listen Wales

Looking back over the past two decades, progress has been made in some key areas: unemployment has fallen; literacy rates amongst young people have improved; overall crime rates are down by some measures; and absolute poverty – which measures poverty in purely monetary terms – has also declined. But those at the bottom of society barely feel these benefits amongst the general experience that life has become more difficult, challenges have become more complex, and poverty has become more entrenched.

## Economic Vulnerability: Work is not worth it

For many of the poorest people in our nation, work is not worth it.

A single person on benefits in Sutton Coldfield would have 34 per cent of their income to spend after non-avoidable costs, including housing. If the same person starts part-time work on the minimum wage, after costs including tax and housing, they have only 32 per cent of their income to spend. They may earn a bit more overall but because they effectively take home less per pound, the financial rewards of work can be marginal.

In the most left behind communities, work is typically poor quality, insecure, and offers little progression. Just 15 per cent of those of the most deprived expect to progress at work over the next year.<sup>10</sup> Small charities working in post-industrial towns still report working with the third generation of unemployed, the shadow economy remains appealing, and average weekly pay growth is stagnant. The welfare system is topping up the wages of over two million people. Increasingly, people are turning to welfare, rather than wages, in order to unlock additional income: Britain is sick but being sick pays.

The most disadvantaged view mental ill-health as the biggest factor holding them back, which only ranks fifth for the general public. The number of people economically inactive because of long-term sickness has risen to over 2.6 million, an increase of nearly 500,000 since the COVID-19 pandemic. Over half of those signed off (53 per cent) reported depression, bad nerves, or anxiety.<sup>11</sup>

*Just 15 per cent of those of the most deprived expect to progress at work over the next year.<sup>10</sup>*

*Over half of those signed off (53 per cent) reported depression, bad nerves, or anxiety.<sup>11</sup>*

*"People are so far from the work force so [I] have to give them a ring to get them out of bed."*

Netherton Community Centre, Big Listen North West

<sup>10</sup> Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

<sup>11</sup> ONS, Rising Ill-Health and Economic Inactivity Because Of Long-Term Sickness, UK: 2019 To 2023, 26 July 2023

## Unsafe Streets: Crime is the worst thing about where people live

Across the country, amongst the general public and the most deprived communities, crime is overwhelmingly identified as the worst thing about living in an area. Both the most disadvantaged and the general public identify lack of boundaries and parental supervision as the key driver of youth crime. Although overall crime rates are down, violent crime remains high, and crime is highly concentrated - still six per cent of families account for half of all convictions.<sup>12</sup> Outstanding cases for the Crown Courts continue to rise,<sup>13</sup> eroding the public's trust that justice will be done and emboldening criminals. Only eight per cent of victims are confident they would receive justice as a result of reporting a crime.<sup>14</sup>

Still **six per cent** of families account for **half of all** convictions.<sup>12</sup>

*"Teesside... its lawless. There is no police in here. There are no laws or rules here, you just do what you want. They can come here and get away with whatever... There's no police in here. There is no laws or rules." [sic]*

Resident, Teesside

## Fractured Communities: Housing is poor, communities are torn apart by addiction and small charities are being hollowed out

Communities are marked by poor quality, expensive and insecure housing. The most disadvantaged are twice as likely to worry about the quality of their housing than the general public, and both groups are similarly concerned about costs.<sup>15</sup> The most deprived who live in social housing are three times less likely to rate their quality of life at least eight out of ten, compared with the general population who own a property.<sup>16</sup>

The most deprived who live in social housing are three times less likely to rate their quality of life **eight out of ten**, compared with the general population who own a property.<sup>16</sup>

12 HM Inspectorate of Probation, Family Relationships. Accessed: [www.justiceinspectorates.gov.uk/hmiprobation/research/the-evidence-base-probation/specific-areas-of-delivery/family-relationships/](http://www.justiceinspectorates.gov.uk/hmiprobation/research/the-evidence-base-probation/specific-areas-of-delivery/family-relationships/)

13 Ministry of Justice, Criminal Court Statistics Quarterly: April to June 2023, Figure 3: Crown Court caseload, Q1 2014 – Q2 2023 (Source: Table C1)

14 Victims Commissioner, Victims' Experience: Annual Survey 2022, 8 November 2023

15 Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

16 Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

Communities are also being torn apart by addiction. There has been a 63 per cent increase in deaths of people on methadone than pre-COVID-19 pandemic.<sup>17</sup> 11.5 per cent of adults who have used cannabis in the last year consume it every day.<sup>18</sup> Before the COVID-19 pandemic, deaths from alcohol poisoning had been falling but rose 15.4 percent following the COVID-19 pandemic,<sup>19</sup> and nearly 5000 people died from drug poisoning last year.<sup>20</sup>

*There has been a **63 per cent increase** in deaths of people on methadone than pre-COVID-19 pandemic.<sup>17</sup>*

The third sector continues to be hollowed out by the big players in the charity world despite a rise in demand for services following the COVID-19 pandemic. Charities with an income under £1 million a year make up 96 per cent of the voluntary sector in the UK,<sup>21</sup> but CSJ analysis shows that 85 per cent of charitable income goes to just 4.4 per cent of charities. The smallest charities - those under £100k - have seen the greatest decline in their income from government, receiving nearly a third less than they did a decade ago.<sup>22</sup> Yet small charities, facing more challenges after the COVID-19 pandemic than ever, are the ones who are often best placed to form the transformative relationships needed to turn lives around.

*Nearly **5,000** people died of drug poisoning last year.<sup>18</sup>*

***85 per cent** of charitable income goes to just **4.4 per cent** of charities.*

*"The best route out of poverty is a relationship."*

**Cumbria Youth Alliance, Big Listen North West**

## Fragile Families: Family breakdown hits the poorest families the hardest

The Commission heard that family life is the single most important thing in everyone's life and we found deep frustration amongst the most disadvantaged communities that Westminster doesn't understand its primacy. We heard how fractured and frayed family relationships are key to so many people's struggles.

*"I am quite convinced that family breakdown is the root cause of nearly everything to be honest. We are underestimating the role of family breakdown across every issue in society. We [as a charity] exist because the dads have walked away from the mums and the children. Those kids use drugs and get involved in crime."*

**Community Outreach Manager, Charity, Big Listen, London**

17 Office for Health Improvements and Disparities, Substance Misuse: Providing Remote and In-Person Interventions, March 2022

18 Office for National Statistics (ONS), Drug Misuse in England and Wales: Year Ending June 2022, 12 December 2022

19 Public Health England, Alcoholic Liver Deaths Increased By 21 Per Cent During Year of The Pandemic, 15 July 2021

20 ONS, Deaths Related to Drug Poisoning in England and Wales: 2021 Registrations, 3 August 2022

21 Lloyds Bank Foundation, What the Data Tells Us About the Small Charity Landscape, 23 June 2023

22 National Council for Voluntary Organisations, Government Funding to Small Charities. Accessed: [smallcharitiesdata.org/topic/government-funding-to-small-charities/](https://smallcharitiesdata.org/topic/government-funding-to-small-charities/)

The UK is an outlier among its counterparts for family fragility. 23 per cent of UK families are headed by a single parent, compared with an EU average of 13 per cent.<sup>23</sup> Yet 68 per cent of the general public think that a stable and secure family life is the most important factor in determining a person's success and wellbeing.<sup>24</sup> For the first time more children are born to unmarried mothers than to married mothers,<sup>25</sup> a relationship that is vastly more stable than cohabitation. Family breakdown hits the poorest families the hardest: a teenager growing up in the poorest 20 per cent of households is two thirds more likely to experience family breakdown than a teenager in the top 20 per cent. Family life is hard. This is particularly true for parents who struggle with poor mental health or whose relationships are marked by conflict. Over the past eight years, over one in seven children have been classed as a Child in Need at least once.<sup>26</sup>

*68 per cent of the general public think that a stable and secure family life is the most important factor in determining a person's success and wellbeing.<sup>24</sup>*

## A Challenging Start: Children are struggling and still suffering from the scars of lockdown

Childhood in the 21st century is hard. Children and young people are still dealing with the deep scars of lockdown, being educated online, and at home, and missing out on key social and coming of age opportunities. Two decades ago, just one in ten children were assessed as having a clinically recognisable mental health problem, a figure that is now one in five,<sup>27</sup> rising to one in four for those between 17 and 19.<sup>28</sup> 44 per cent of 16–17-year-olds report elevated psychological distress.<sup>29</sup> Our analysis has found that by 2030, if trends continue, over one in four (27.8 per cent) of 5-15-year-olds will have a mental disorder. If the COVID-19 pandemic never happened, this figure would be less than two in ten (14.7 per cent). There are likely to be 108 per cent more boys with mental health disorders by 2030 than if the lockdown had not occurred. Amidst these alarming numbers there is concern that mental ill-health terminology may be too loosely applied and is being used as a catch-all term to describe complex social challenges.

*There are likely to be 108 per cent more boys with mental health disorders by 2030 than if the lockdown had not occurred.*

23 Office of the Children's Commissioner, Family and its Protective Effect, September 2022, p. 17

24 Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

25 ONS, Births in England and Wales: 2021, August 2022

26 Department for Education, Drivers of Activity in Children's Social Care, May 2022, p. 7

27 NHS England, One in Five Children and Young People Had a Probable Mental Disorder In 2023, 21 November 2023

28 NHS Digital, Mental Health of Children and Young People in England 2022, November 2022, p. 2

29 Cosmo Study, Wave 1 Initial Findings, Briefing No. 4, Mental Health and Wellbeing. Accessed: [cosmostudy.uk/publications/mental-health-and-wellbeing](https://cosmostudy.uk/publications/mental-health-and-wellbeing)

Family underpins everything for this unhappy generation, and social media and phone use exacerbate challenges for those already struggling. The number of pupils with an education health and care plan (EHC) has increased by almost two-thirds since 2016, the most common need being autistic spectrum disorder, and over 1.5 million pupils in England have special educational needs (SEN).<sup>30</sup> Just under two decades ago, 26 per cent of secondary and primary school pupils with SEN were eligible for Free School Meals (FSM), a key proxy for disadvantage. Today 41 per cent of pupils with an EHC plan are eligible for FSM.<sup>31</sup> For many, trauma and sexual abuse are a terrible part of their most formative years.

Children in the most disadvantaged families are suffering disrupted attachment and developmental delays. Only just over half (57 percent) of the most disadvantaged pupils leave primary school with the expected standards in reading, writing, and maths.<sup>32</sup> 140,000 children are missing more school than they attend and a fifth of the whole school population miss an afternoon a week.<sup>33</sup> Young people do not feel equipped for work or with skills for life, schools have to deal with social and family issues before they can even turn to teaching, and a decade of progress in closing the attainment gap between disadvantaged students and others was wiped out by the COVID-19 pandemic.

*“Children were educated at home via zoom for a couple of years. So, their social interaction, their social norms have been affected. So, we are seeing a big rise in teenagers who are unable to have a healthy, respectful relationship.”*

**Big Listen Wales Attendee**

The country cannot afford the price in human misery, or to the taxpayer, that poverty and disadvantage continue to cost. The most disadvantaged in society seem to have been forgotten and are left without the capability to negotiate their way out of poverty.

The challenges already facing the most disadvantaged were not taken into account when demands were made to lock down during the COVID-19 pandemic. If we do not tackle the root causes of poverty in a comprehensive manner, Britain, as a whole, will always be poorer.

30 Gov.UK, Academic year 2022/23 Special educational needs in England, 22 June 2023. Accessed: [explore-education-statistics.service.gov.uk/find-statistics/special-educational-needs-in-england](https://explore-education-statistics.service.gov.uk/find-statistics/special-educational-needs-in-england)

31 Department for Education, Special Educational Needs and Disability: An Analysis and Summary of Data Sources, June 2023

32 Institute for Fiscal Studies, Lack of Progress on Closing Educational Inequalities Disadvantaging Millions Throughout Life, August 2022

33 CSJ analysis; Department for Education, Pupil Absence in Schools in England: Autumn and Spring Term 2022/23, 19 October 2023



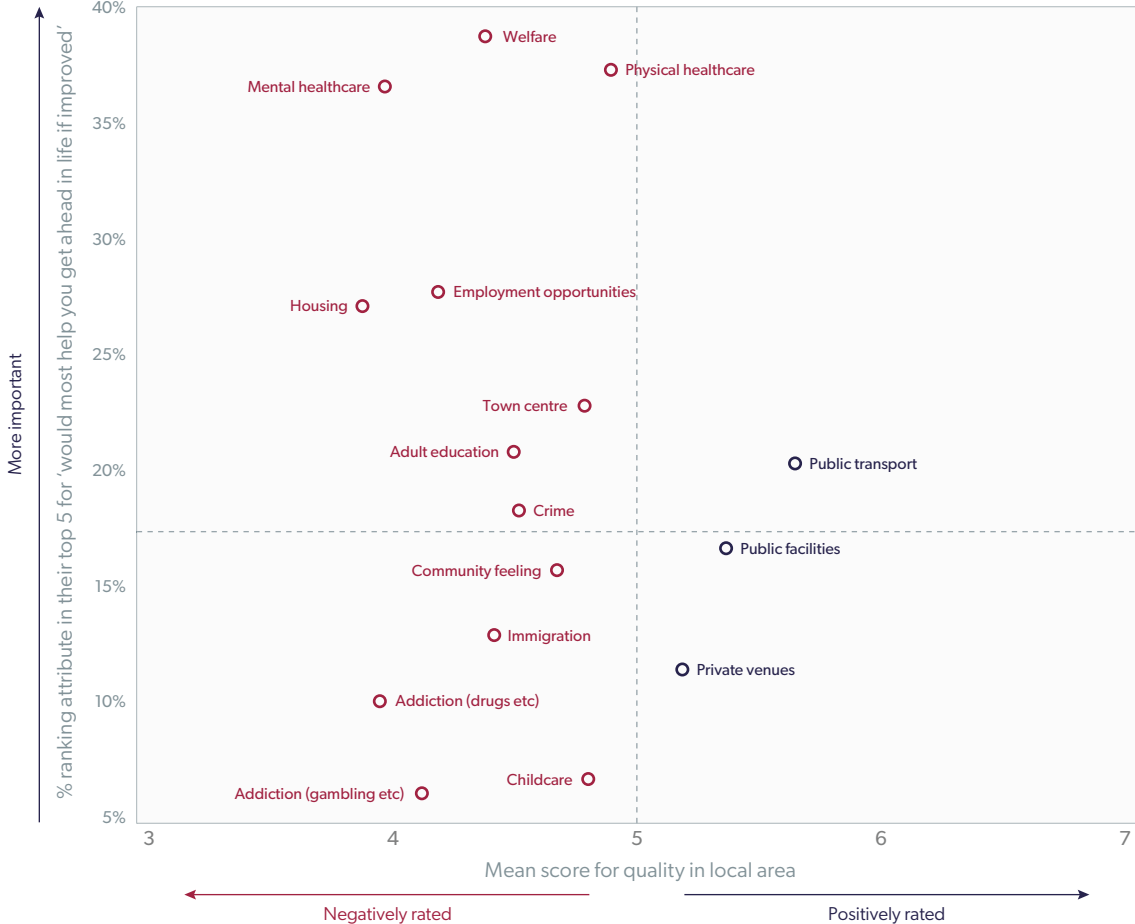
# Data Overview

The Commission's research and polling has uncovered a nation of two halves. The following graphs depict some of the starkest divisions between the haves and the have-nots, as well as the prevalence of social breakdown across parts of the United Kingdom.

## Two Nations

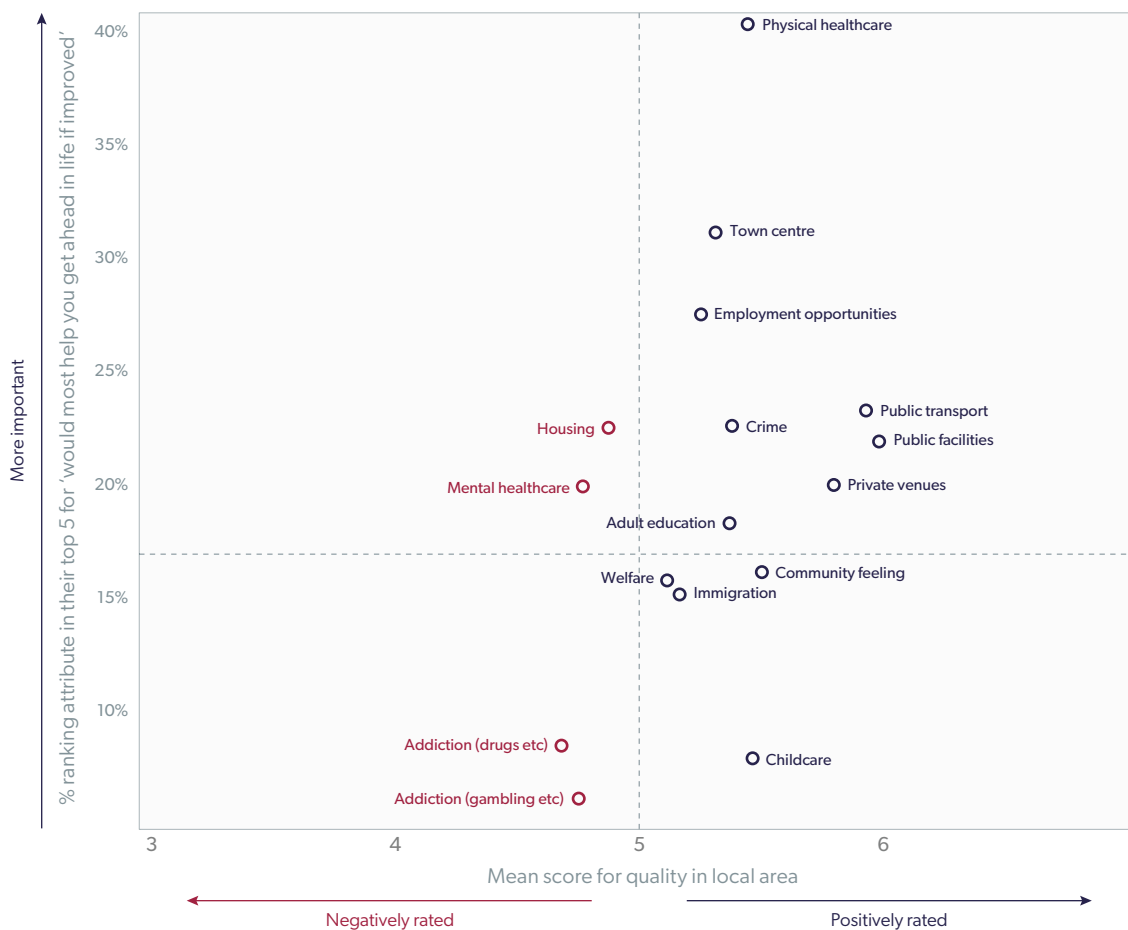
Britain's two nations have a radically different experience of day-to-day life.

### The Most Deprived



Source: JL Partners

## The General Public

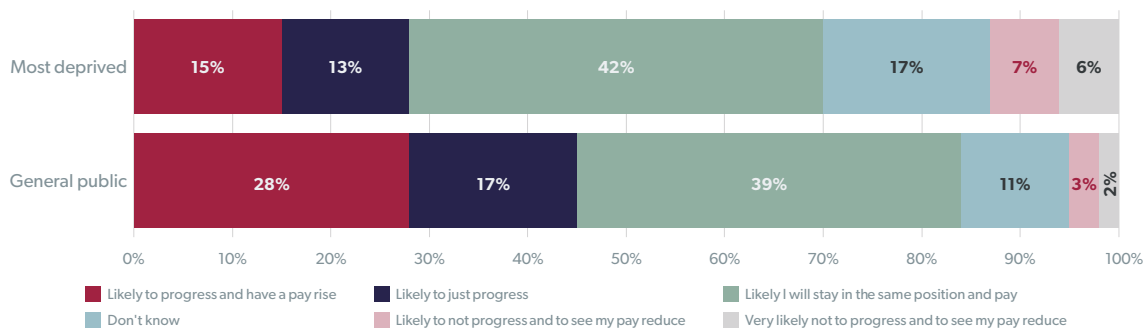


Source: JL Partners

## Economic Vulnerability

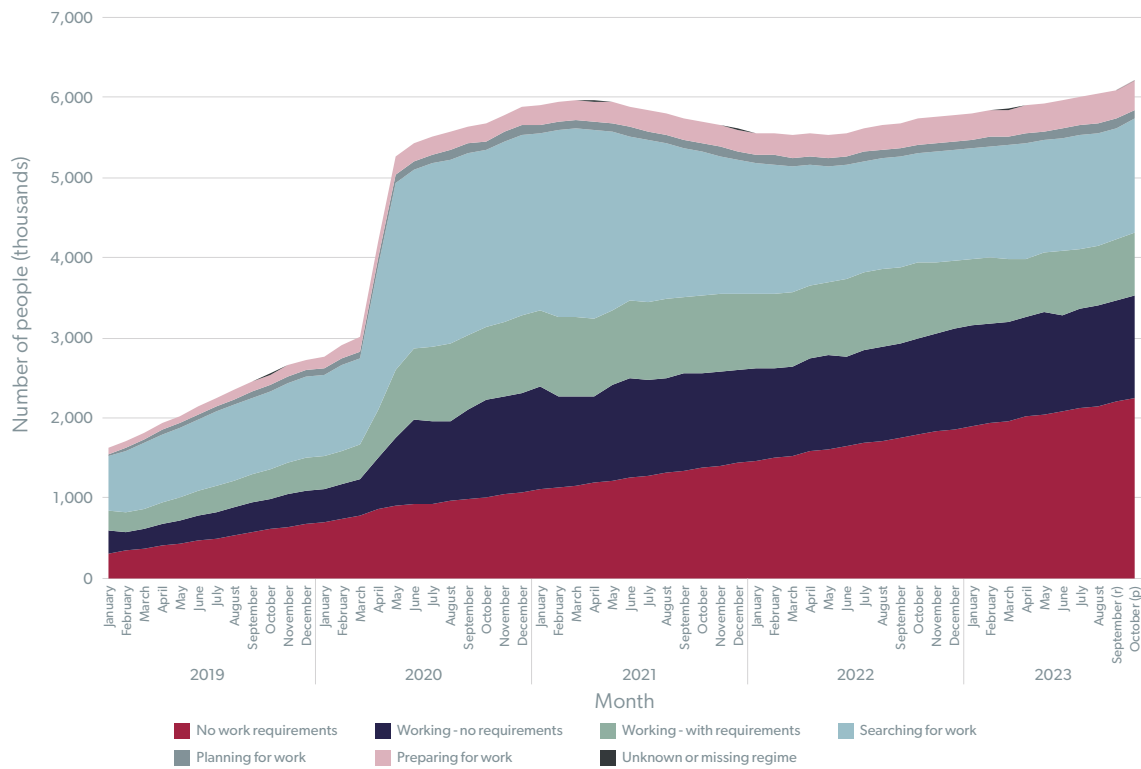
Economic inactivity has driven a record increase in the number of those on benefits. Progression at work is limited and health and disability problems are considerable. Work is not worth it, with some people taking home less of a percentage of their total income when starting work, compared to staying on benefits.

### Progression at Work



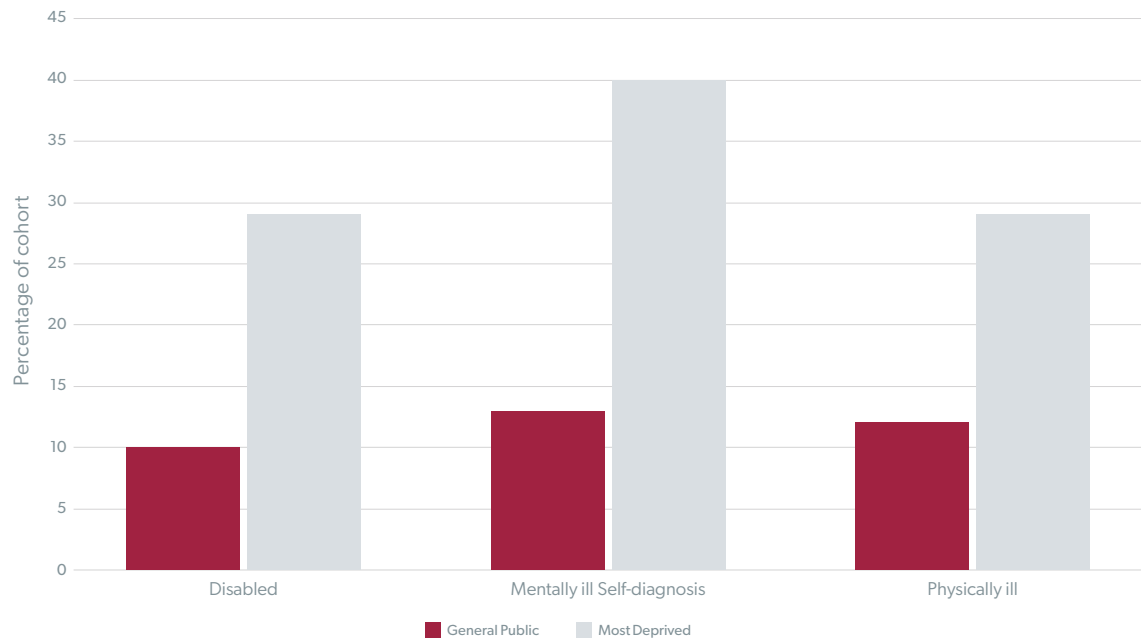
Source: JL Partners

## COVID-19 UC Claimant Rise



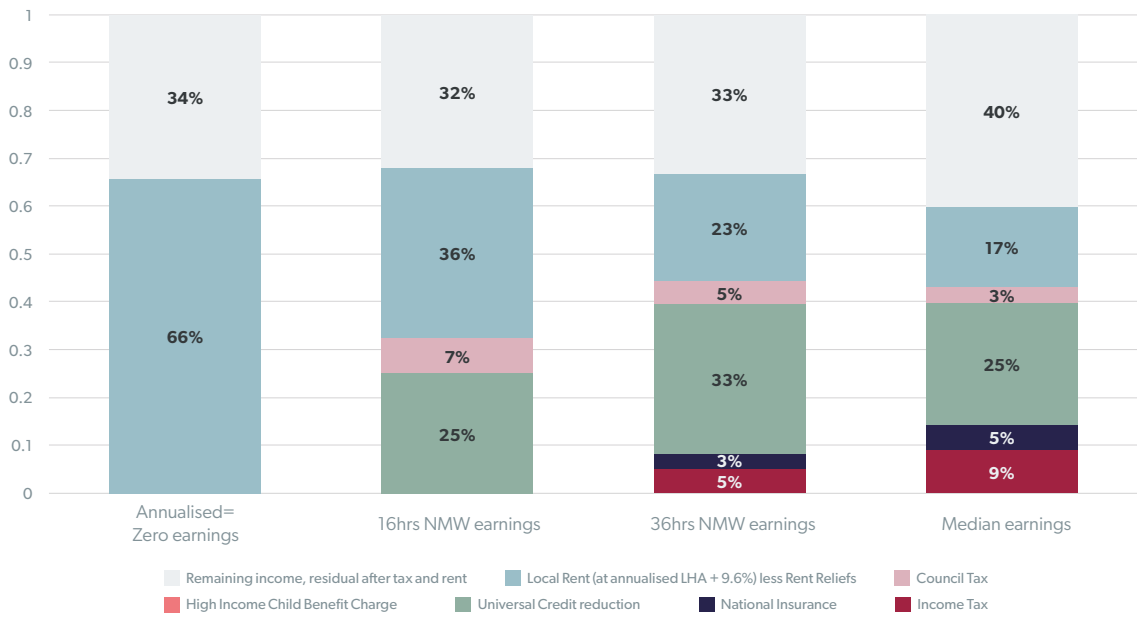
Source: CSJ analysis of DWP data

## Two Nations - Health and Disability



Source: JL Partners

## The Cost of Moving into Work

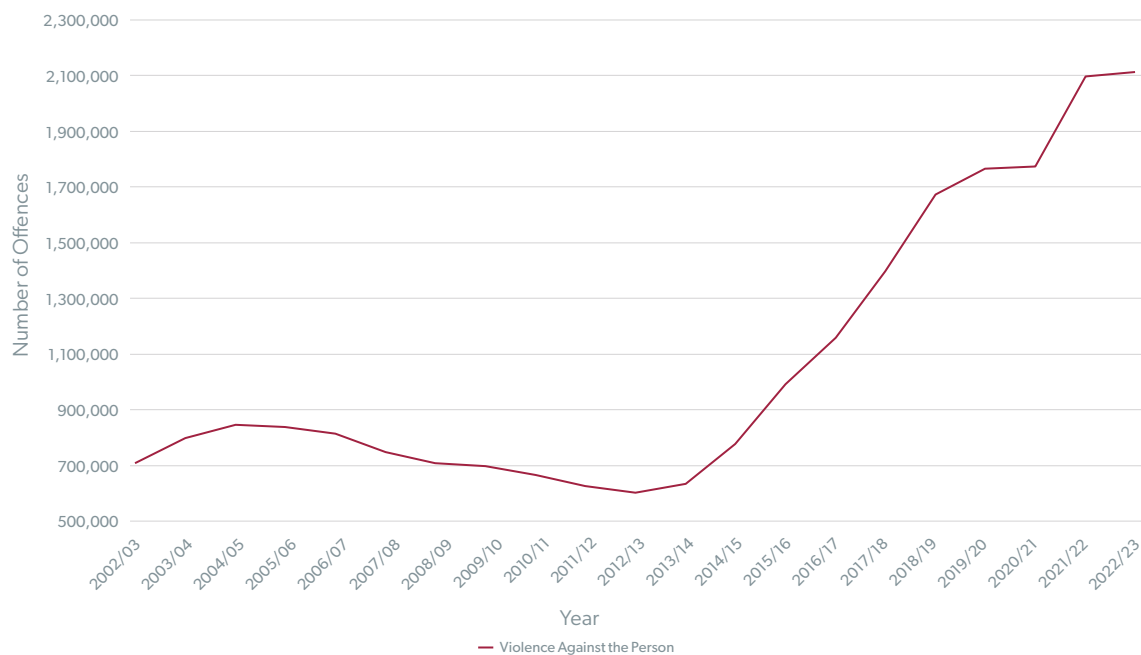


Source: CSJ Analysis of ONS and Local Authority Data

## Unsafe Streets

The British people think crime is the worst thing about their communities. Police Recorded Violent Crime has sharply increased in recent years.

### Police Recorded Violent Crime



Source: CSJ Analysis of Home Office Data

## What is the Worst Thing About Your Area?

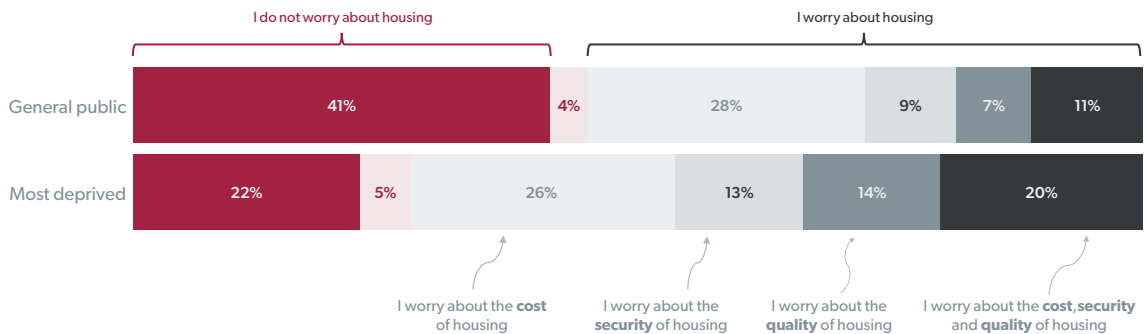


Source: JL Partners

## Fractured Communities

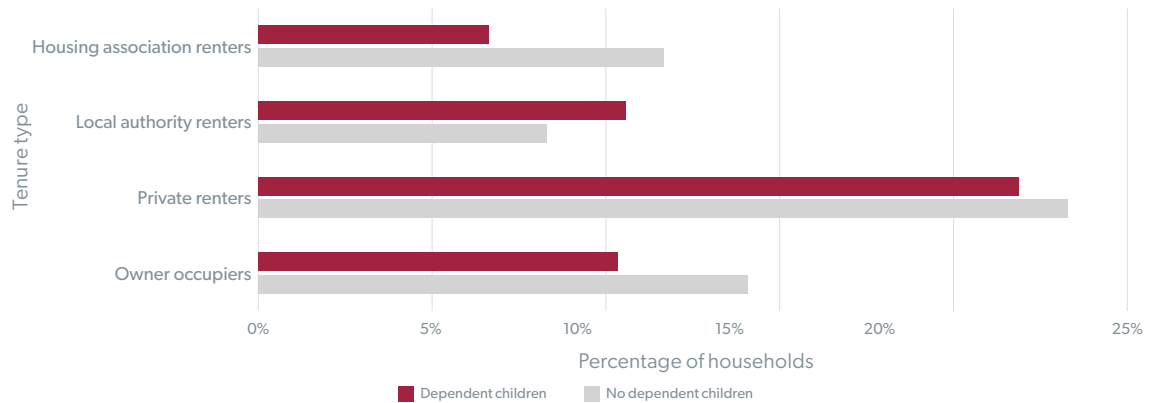
73 per cent of the most deprived worry about housing. Over one in five children in private rented homes are living in non-decent conditions. Drug deaths are on the rise and the number of adults who say they have used Class-A drugs at least once in their life has risen.

### Worries about Housing



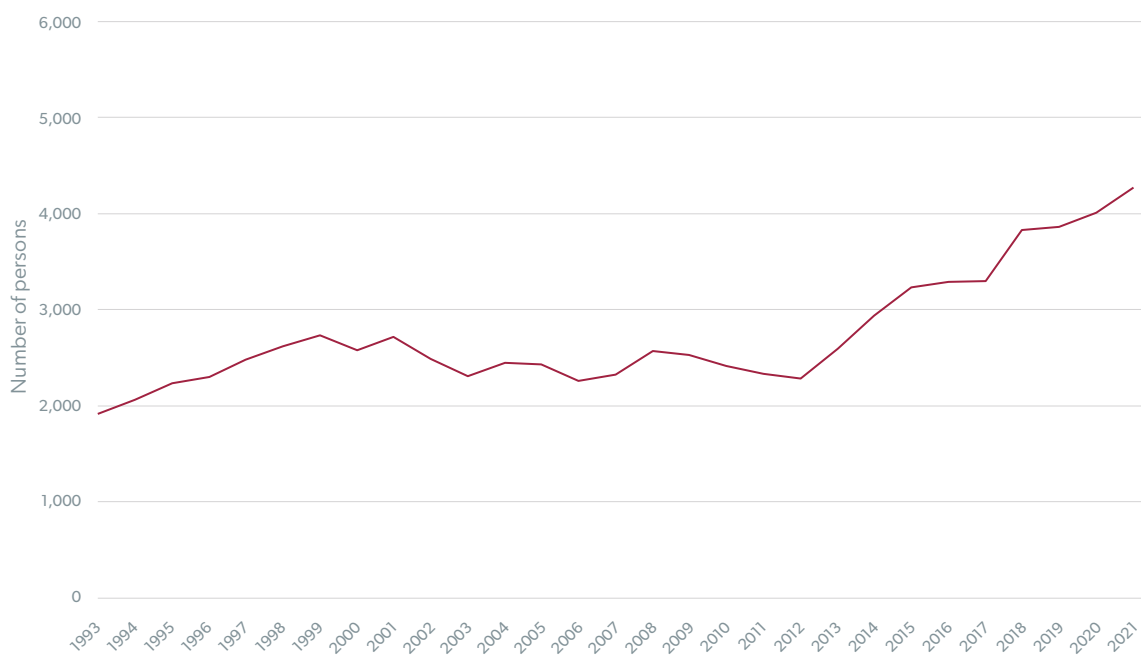
Source: JL Partners

### Children Living in Non-Decent Homes



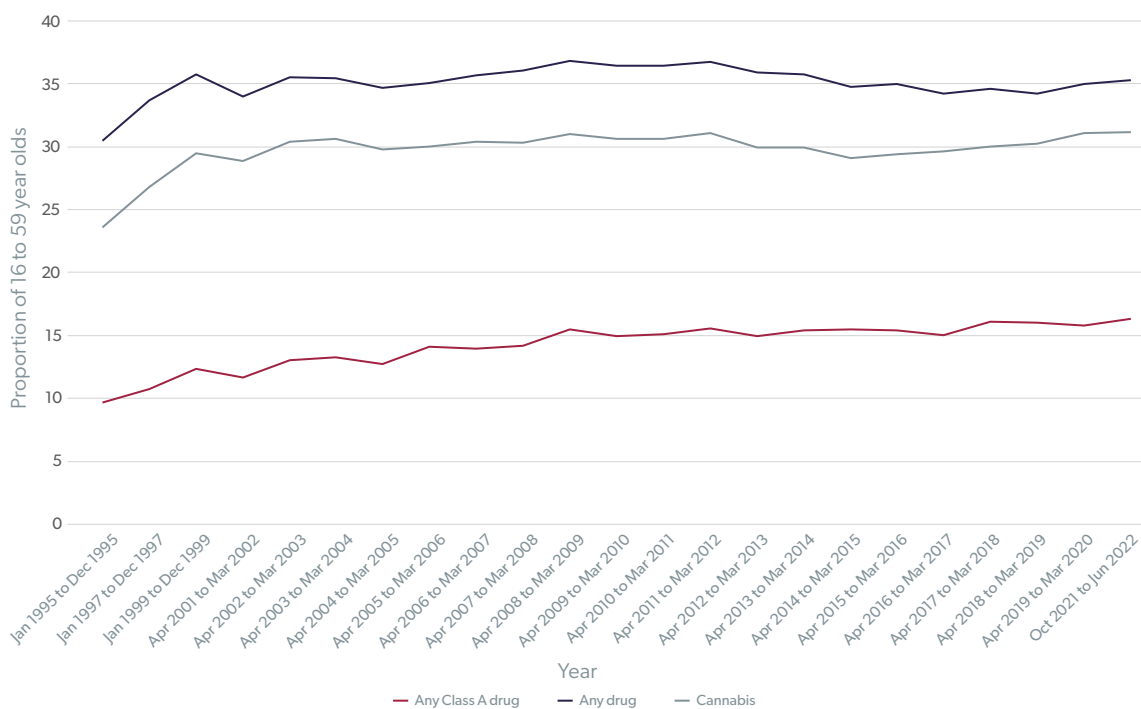
Source: CSJ Analysis of DLUHC Data

## Drug Deaths



Source: CSJ Analysis of CSEW

## Illicit Drugs Use Over Time

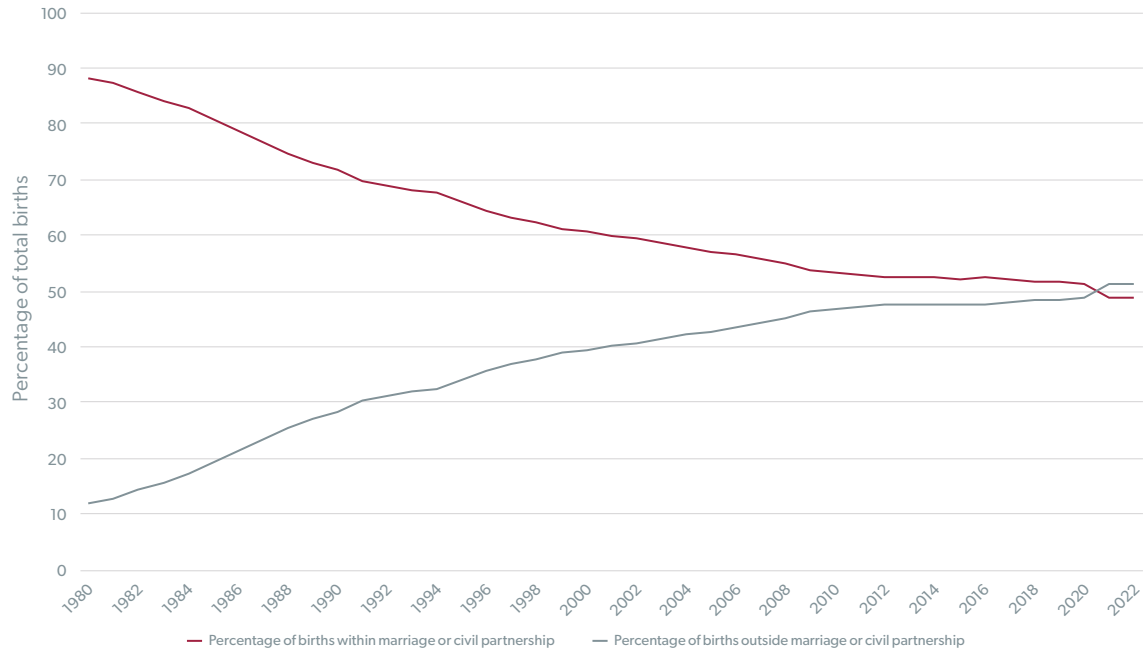


Source: CSJ Analysis of ONS Figures

# Fragile Families

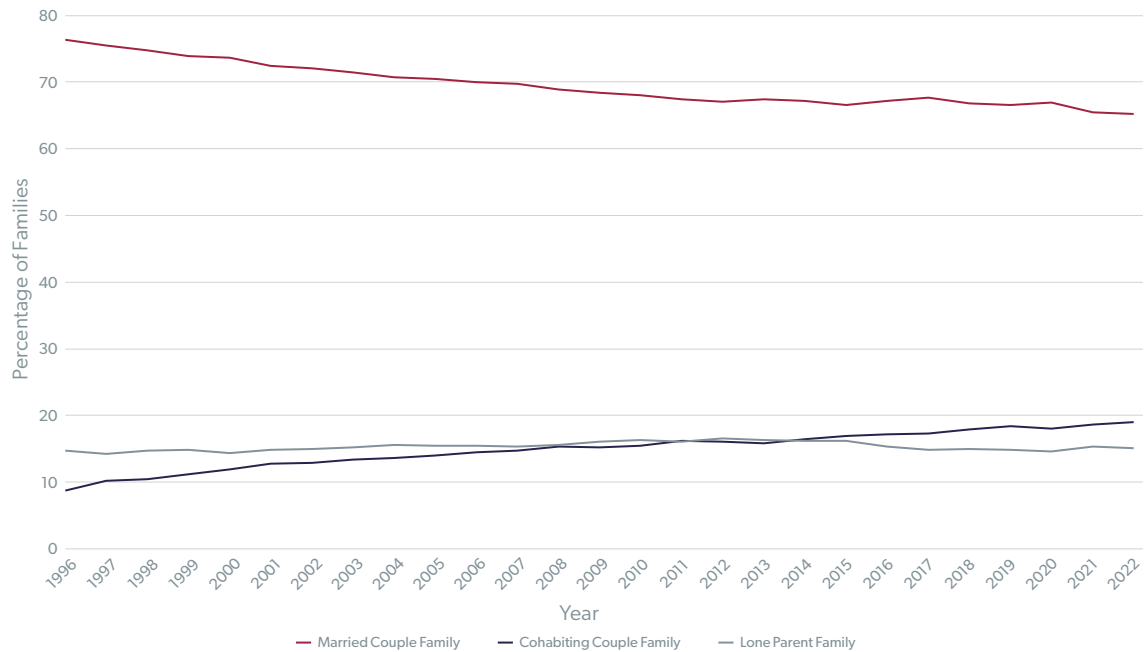
Marriage is the most stable family type, yet for the first time in recent history more children are born outside of it. The proportion of cohabiting families have doubled in the last two and a half decades.

Percentage of Births in Marriage



Source: CSJ Analysis of ONS Data

Family Types Over Time

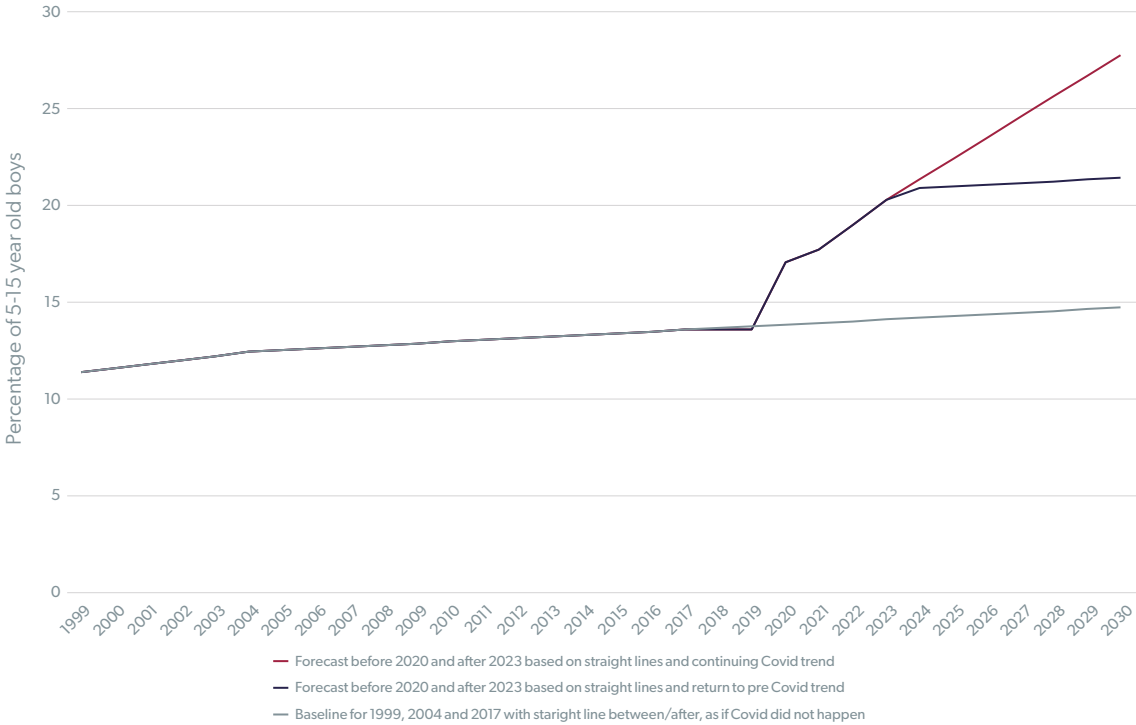


Source: CSJ Analysis of ONS Data

# A Challenging Start

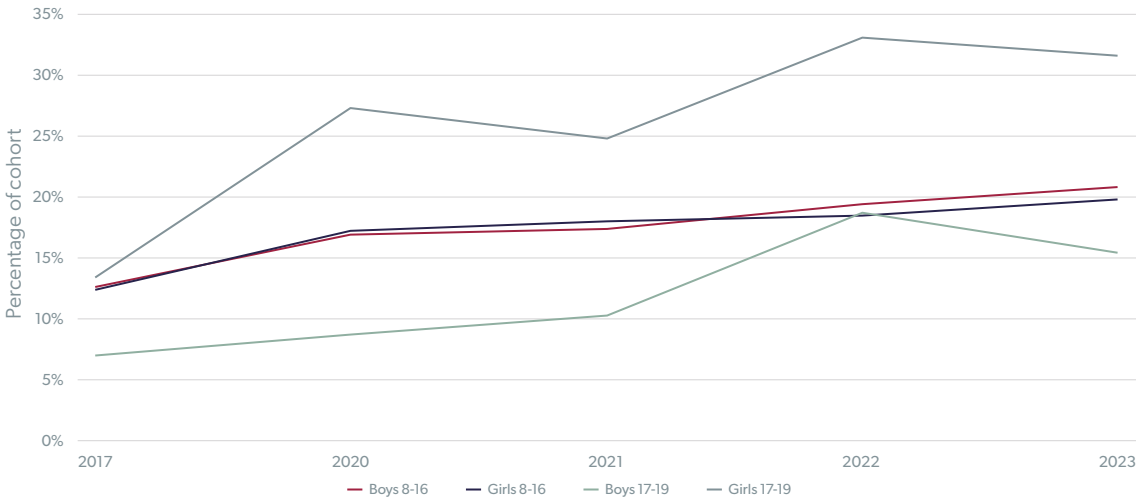
Mental health has skyrocketed with over one in four, 5–15-year-olds projected to have a mental disorder by 2030. Over 30 per cent of 17–19-year-old girls have a mental disorder in 2023.

## 5-15-year olds Mental Health Projections



Source: CSJ Analysis of NHS data

## Mental Disorder by Age and Sex



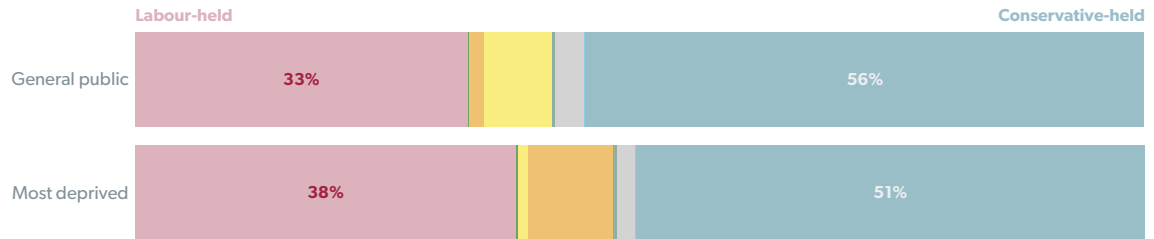
Source: CSJ Analysis of NHS data



# The Political Appetite for Change

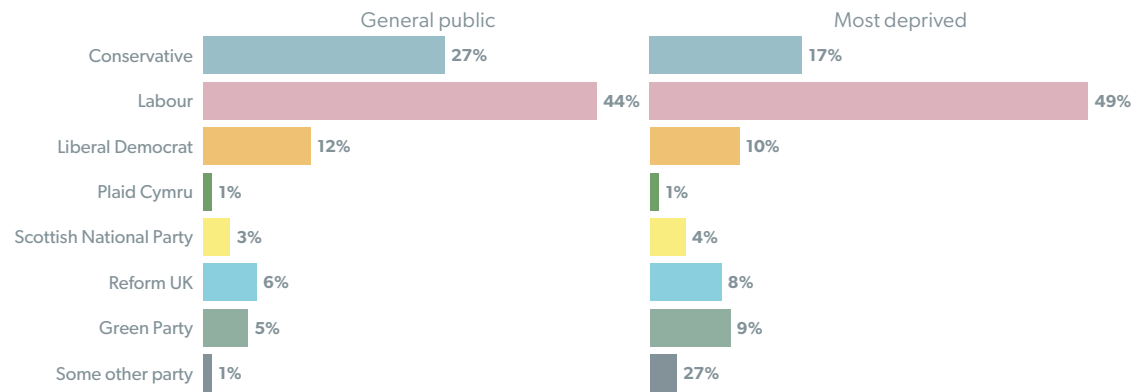
Social justice is a cross-party issue. The most deprived live in every seat, in all parts of the UK. Over half (51 per cent) live in Conservative held seats, 20 per cent live in Conservative marginals, but 49 per cent say they are going to vote Labour.

## 51 Per Cent of the Most Deprived Live in Conservative Seats



Source: JL Partners

## Voting Intention by Cohort



Source: JL Partners

# Methodology




The Commission made 27 visits to small charities, social enterprises and organisations. We heard from an additional 31 charities, social enterprises, Local Authorities, a police force and policy experts through virtual meetings or roundtables. We also hosted five Big Listens events, hosting small charities and social enterprises from across the country, asking them the biggest challenges they saw on the frontline of fighting poverty, and the best solutions they had identified. Big Listens were hosted in Loughborough, London, Leeds, Manchester and Cardiff, and attended by 262 charities, social enterprises and local organisations (and a further Big Listen was hosted in Edinburgh that did not feed into the Commission).

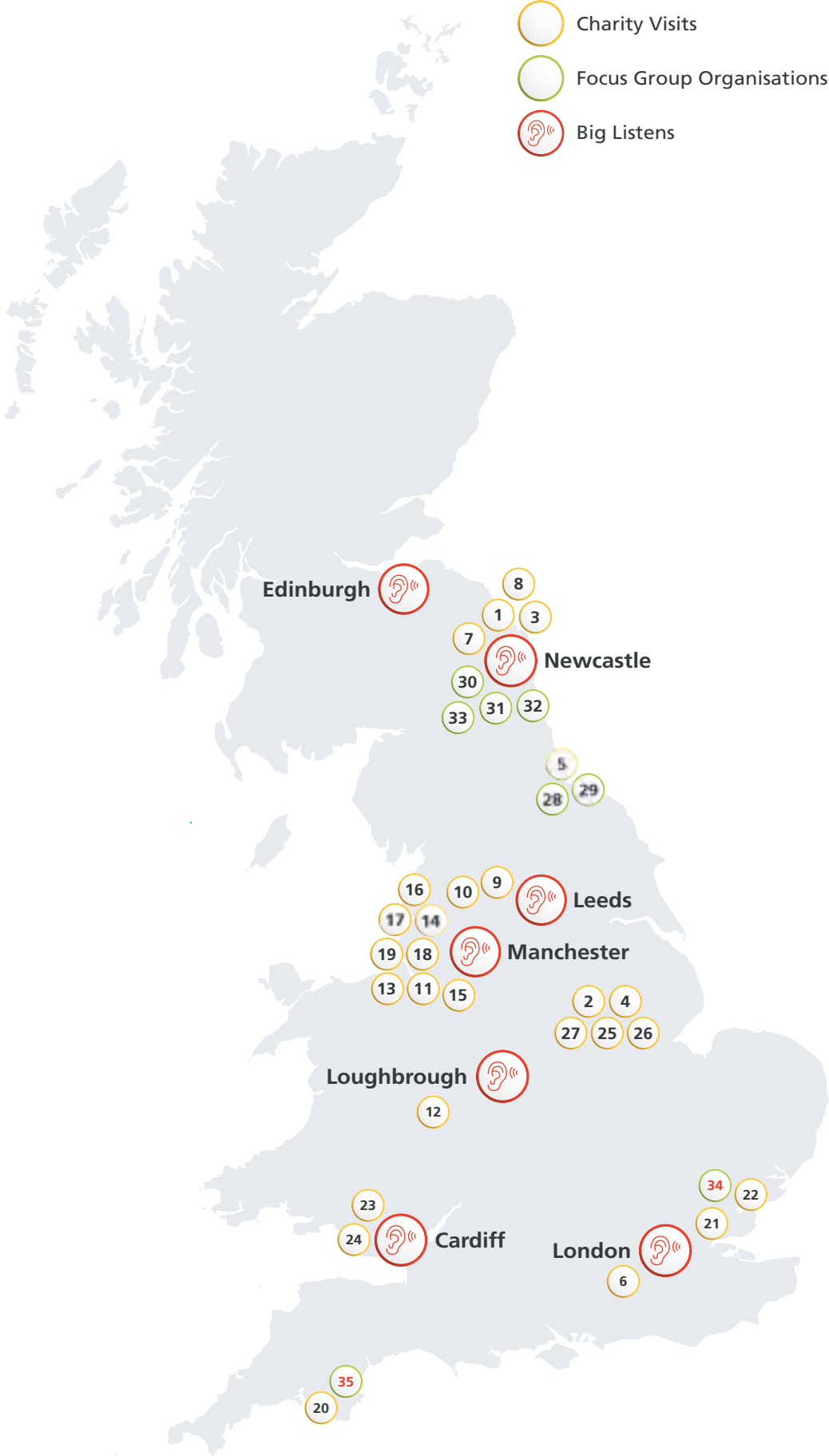
The Commission hosted eight lived experience focus groups, including with those with lived experience of prison, addictions to illegal substances, long term unemployment and mental ill-health. The Commission also heard from other individuals who shared in depth their life stories with us, written up as ten case studies. The Commission also received 31 responses to our Call for Evidence and travelled over 6200 miles across three nations of the UK.


The Commission also conducted a national representative poll of 6043 adults, in partnership with J.L. Partners between 25 August and 2 October 2023. This poll had a boost of 3021 of the most deprived people (see definition below)<sup>34</sup> across the nation, and used innovative polling techniques to ensure this boost sample included the views of those truly at the margins.

1. Home Group (Newcastle)
2. Oasis Community Centre (Worksop)
3. Oasis Community Housing (Gateshead)
4. Hetty's Charity (Mansfield Woodhouse)
5. Community Campus 87 (Stockton)
6. Back on the Map (Hendon)
7. Livin (Spennymoor)
8. NuCastle Foundation (Newcastle)
9. Tempus Novo / HMP Leeds (Leeds)
10. Shared Health Foundation (Oldham)
11. Family Toolbox (Wirral)
12. Caritas (Shrewsbury)
13. Ferries Family Groups (Rock Ferry)
14. Foundation Years Trust (Wallasey)
15. Involve Northwest (Birkenhead)
16. Koala NW (Birkenhead)
17. Shaftesbury Youth Club (Birkenhead)
18. WEB Merseyside (Birkenhead)
19. Wirral Borough Council (Wirral)
20. Trevi Women (Plymouth)
21. Chess Homeless (Chelmsford)
22. Lads Need Dads (Colchester)
23. Llanhilleth Miners Institute (Llanhilleth)
24. Valleys Kids (Tonypany)
25. The Link Community Hub (Sheffield)
26. Rush House (Rotherham)
27. Really Neet Project (Rotherham)
28. The Moses Project (Stockton-on-Tees)
29. Clean Slate Solutions (Middlesbrough)
30. North of Tyne Poverty Truth Commission (Newcastle)
31. Young Women's Outreach Project (Gateshead)
32. Family Gateway (Wallsend)
33. Key Community (South Shields)
34. Tendring, Essex
35. Plymouth
36. Newcastle
37. London
38. Loughborough
39. Manchester
40. Cardiff
41. Edinburgh

<sup>34</sup> Respondents qualified for the most deprived sample if they met either Condition 1: Have a household income of £14,000 a year or less or work no more than 16 hours per week and are not a housewife/househusband or retired with a private pension or in education or Condition 2: Three of the following conditions: Have a household income of £21,000 a year or less or work no more than 16 hours per week and are not a housewife/househusband or retired with a private pension or are currently in receipt of at least one of the following benefits: Income Support, Jobseeker's Allowance, Pension Credit, Universal Credit. Quotas were added to ensure representative data for each sample: Gender, age, region, socioeconomic grade, ethnicity and 2019 general election vote (for the general public) and gender, age and region (for the most deprived).

-  Charity Visits
-  Focus Group Organisations
-  Big Listens



The background of the image is a dark blue grid with various financial data visualizations. A prominent white line graph starts at the top left and trends downwards towards the center. Below it, a candlestick chart features several red and blue bars. Other fainter lines and grid patterns are visible in the background, creating a complex, data-driven aesthetic.

# THE NATURE OF THE ECONOMIC LANDSCAPE

# The Nature of the Economic Landscape

Poverty is more complex than ever. Poverty is never just about the money, however a realistic understanding of how the changed economic landscape has made it harder for individuals to escape, or stay out of, financial poverty, is a key part of tackling disadvantage over the decade ahead. In order to set the context of the findings of the Commission's findings, it is helpful to examine the economic landscape of the UK.

When the Centre for Social Justice was founded in 2004, it laid out a review of poverty and disadvantage in the country in its seminal works: *Breakdown Britain*<sup>35</sup> and *Breakthrough Britain*.<sup>36</sup> The findings showed that to tackle poverty, there needed to be a concerted effort to tackle the root causes of disadvantage and social breakdown.

*Breakdown Britain* uncovered five key pathways into poverty that could not be understood as purely concerning income: family breakdown, debt, worklessness, educational failure, and addiction. *Breakthrough Britain* found that the cumulative costs of family breakdown, educational failure, and crime cost the British state £102 billion per year (£165 billion today adjusted for inflation).

20 years later, the pathways to poverty remain the same, but the costs have grown (see table 2, at the end of this chapter). After a decade and a half of stagnant economic growth, the cost-of-living crisis has put immeasurable pressure on communities who suffer the effects of social breakdown. The most deprived are approximately half as likely to rate the quality of life in Britain as eight out of ten or above than the general public are.<sup>37</sup>

In 2004, the country could arguably afford to spend large amounts of money each year remedying the symptoms of poverty. This is no longer the case. The need for tackling the root causes of poverty and disadvantage is even more urgent, as the economic landscape has changed dramatically.

This chapter will outline those changes.

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35 The Centre for Social Justice (CSJ), *Breakdown Britain: Interim Report on The State of the Nation*, December 2006

36 CSJ, *Breakthrough Britain: Ending the Costs of Social Breakdown*, July 2007

37 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

## Economic Definitions

There are several indicators used by the Commission to analyse and understand the nature of the economic landscape. For the sake of readability and understanding structural economic trends as a social justice issue, these terms will be kept as basic as possible.

- **Gross Domestic Product (GDP)** – Measures the monetary value of goods and services produced in a country in a given period of time.
- **GDP per capita** – GDP per head of population.
- **Economic Output** – This is the total production of a country. It includes all goods and services produced in a country in a given time.
- **Gross Value Added (GVA)** – Measure of value of goods and services produced in an area or sector.
- **Output Per Hour Worked** – GVA divided by hours worked, a measure of productivity.
- **Economic inactivity** – People aged 16- 64 not in the labour market or seeking employment (e.g. not including unemployed people).
- **Foreign Direct Investment** – When an investor in one economy establishes a lasting economic interest over an enterprise in another economy.
- **Inflation** – Change in prices for goods and services over time.
- **Income Quintile** – Income values which divide the population into equal size groups with each member of the population sitting within one group.
- **Interest Rates** – What you pay for borrowing money, shown as a percentage on the money borrowed.
- **Public Sector Debt as a per cent of GDP** – gross Government debt as a percentage of GDP.

## The Economy in 2004

In 2004, GDP, wages, and productivity were all on the increase. In January 2004, real annual weekly earnings had increased every month for the previous three years,<sup>38</sup> and the final three months of 2004 saw the 50<sup>th</sup> consecutive quarter of economic expansion.<sup>39</sup> From 1997 to 2004, productivity increased by 12.3 per cent, a significant contrast to the 4.7 per cent increase between 2008 and 2023.<sup>40</sup> The UK had inherited nearly two decades of successive productivity growth and a considerable increase in living standards.<sup>41</sup>

Nevertheless, the UK faced challenges. Despite being on the increase, GDP growth had slowed from a high in 2000, driven by a global economic downturn.<sup>42</sup> A contemporaneous report commented that prospects for the UK economy heading into 2004 were ‘reasonably positive but with significant downside risks’.<sup>43</sup>

In the preceding decades, economic growth policy had become increasingly reliant on growing the economy through output from high-value professional services, centred on London and the South East, with large parts of the country experiencing stagnant growth, productivity and work opportunities.<sup>44</sup> By 2004, services contributed 76 per cent of economic output. Manufacturing, construction, and agriculture combined, had declined, contributing just 21 per cent of output by 2004, down from 41 per cent in 1970.<sup>45</sup> Regions historically dependent on manufacturing have been left vulnerable to this decline, and still lie significantly below the average UK regional gross value added (GVA).<sup>46</sup>

## The Global Financial Crisis (GFC), 2007-2008

The impact of the Global Financial Crisis (GFC), which took place between 2007-2008 had an enduring impact on the UK’s economic landscape. The events that unfolded marked the most serious economic crisis in the UK since World War Two and permanently shifted the country onto a path of diminished economic growth. Following the crisis, the UK was in recession longer than any other G7 country<sup>47</sup> and the economy took five years to return to the size it was before the GFC.<sup>48</sup> As shown in Figure 1, GDP was significantly lower in 2022 than what it would have been if 1990 to 2007 trends had continued.<sup>49</sup>

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38 CSJ analysis of Office for National Statistics (ONS) Data, EARN01: Average Weekly Earnings, Dataset, 17 October 2023

39 ONS, Trends in the UK Economy, February 2015

40 ONS, UK Productivity Flash Estimate April-June 2023, August 2023

41 CSJ, The Great Britain Breakthrough, September 2017, p. 17

42 The World Bank, GDP annual (%) - United Kingdom, n.d. Accessed: [data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=GB](https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=GB)

43 Turner, P., Review of the UK Economy in 2003, 2004, p. 9

44 Tony Blair Institute for Global Change, The UK at a Crossroads: Framing the Economic Challenge, March 2021

45 CSJ Analysis of House of Commons Library Data, Historic Data on Industries in the UK, August 2016, p. 7

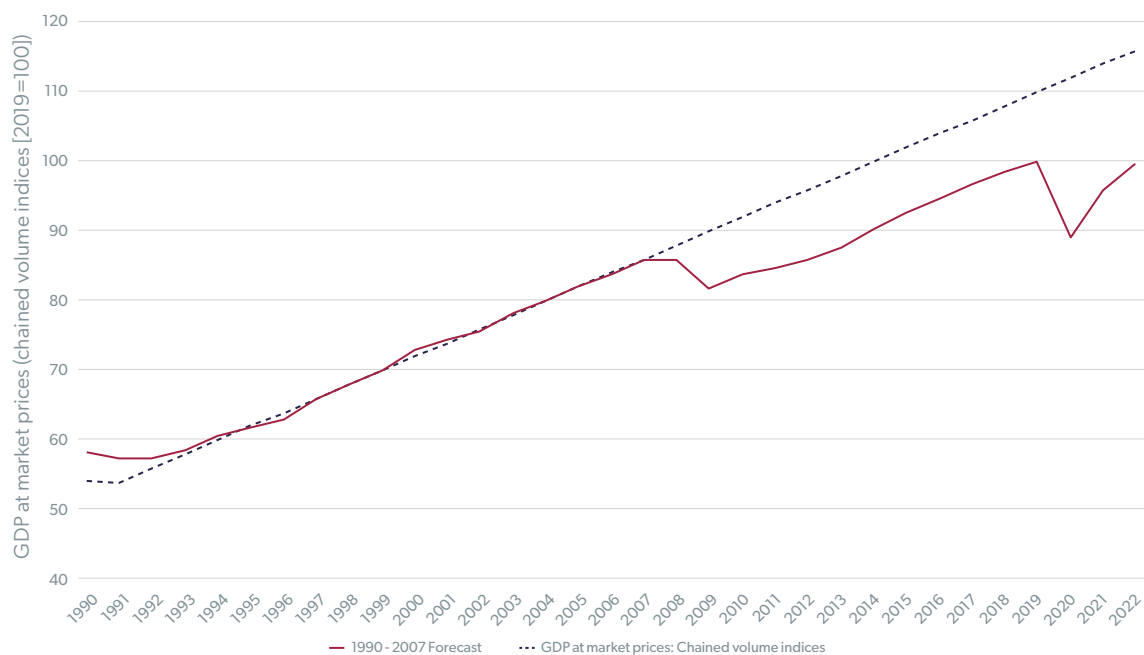
46 CSJ, Making the Change: A Plan to Reboot British Manufacturing and Restore Growth, January 2023, p. 20

47 House of Commons Library Research, Recession and Recovery, 2010, p. 28

48 ONS, The 2008 Recession 10 years on, April 2018

49 ONS, GDP – Data Tables, August 2023

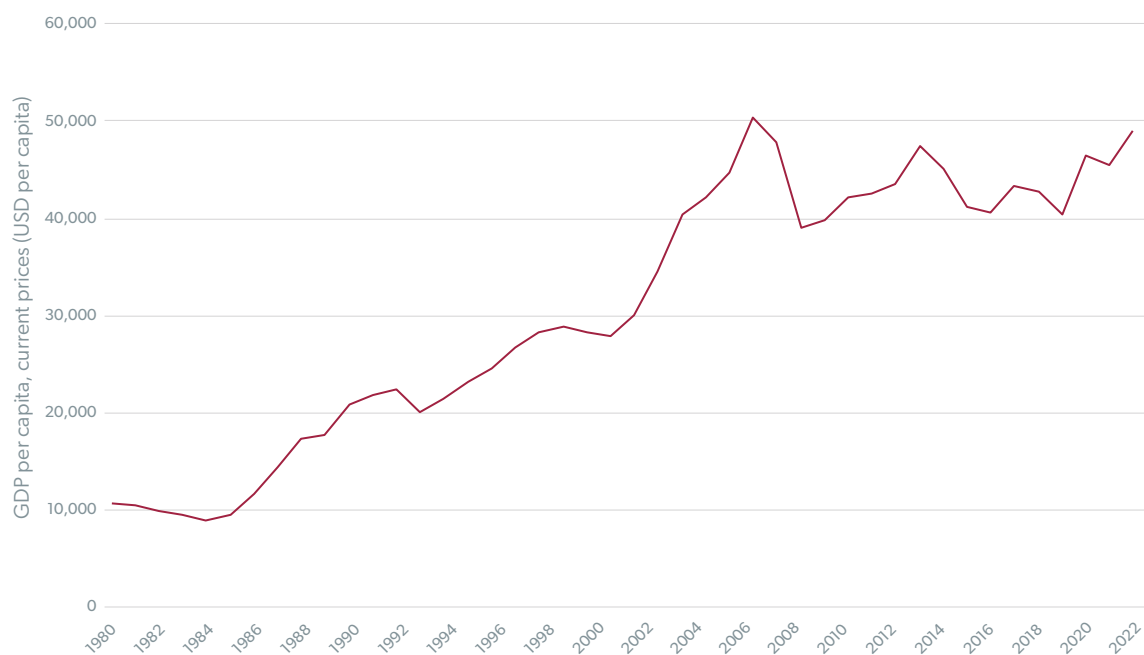
Figure 1: GDP at Market Prices (2019 = 100), 1990 to 2022



Source: ONS, CSJ Analysis of 'GDP – Data Tables'

Whilst GDP can demonstrate the overall size and growth of an economy, GDP per capita is a better measure of living standards and relative economic prosperity, as it considers the number of people in an economy and the average distribution of GDP per person. GDP per capita growth demonstrates a much more severe financial impact on the UK economy than just considering GDP. As per Figure 2, the UK was on a very strong growth trajectory in the immediate years preceding the GFC. GDP per capita growth collapsed after the GFC and is yet to recover to pre-2008 levels.

Figure 2: GDP Per Capita in Current Prices (USD), 1980 to 2023

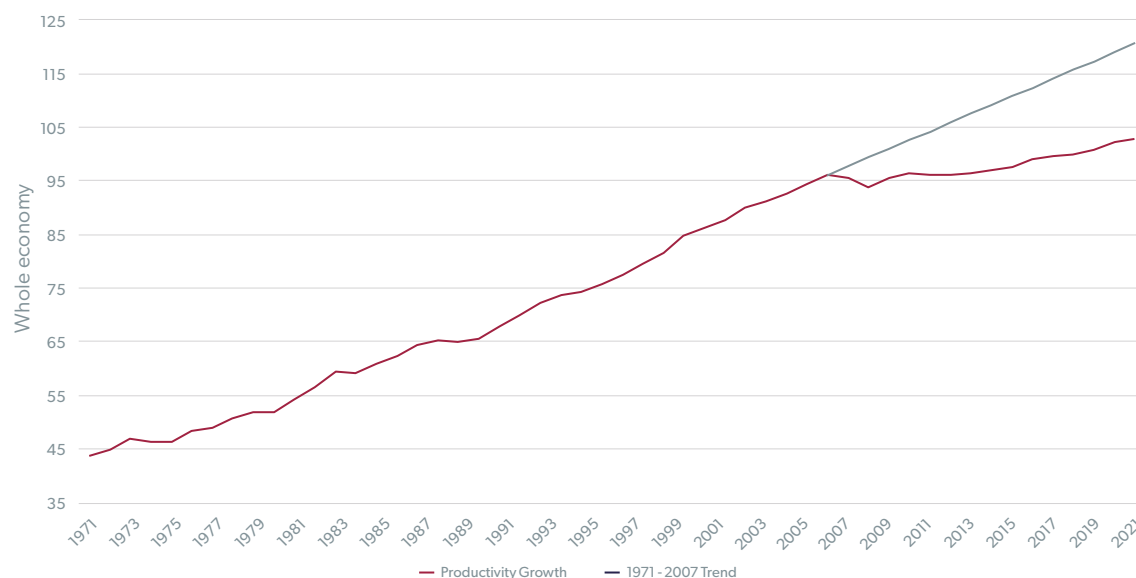


Source: IMF, CSJ Analysis of 'GDP Per Capita, Current Prices'



Productivity growth contracted significantly after the GFC, with a recent report from the House of Lords stating that after 2008, growth was mainly due to increasing hours rather than increasing output per hour.<sup>50</sup> The National Institute of Economic and Social Research found that the shortfall in productivity growth has cost the average British worker approximately £5000 per year.<sup>51</sup> From an average yearly growth of two per cent output per hour has declined to an average of 0.4 per cent growth per year.<sup>52</sup>

Figure 3: UK Annual Output per Hour Worked (2019 = 100), 1971 to 2022



Source: ONS, CSJ Analysis of 'Output per Hour Worked, UK'

### What is Productivity?

Broadly speaking, at any one time, there are a fixed number of resources (capital and labour) in the economy. The labour force engages in work, and what is produced (known as output) depends on how productively resources are utilised.

Productivity is most routinely measured using output against hours worked. For the sake of understanding productivity as a social justice issue, this report will refer to productivity using output against hours worked and as gross value added.

Gross value added is the measure of the value of goods and services produced in an area, industry, or sector of an economy, and is the most conventional measure to judge productivity at a snapshot in time. It is helpful in understanding the productivity of sectors of the economy and the different nations and regions of the United Kingdom.

Productivity growth has three root causes: a worker becomes inherently more productive; more capital is available to increase workers utility; or the interaction between a worker and the technology around them combines to reap increases in output capacity. Without increasing output capacity, we are unlikely to see great improvements in wages or our quality of life.

50 House of Lords Library, Economic Growth, Inflation and Productivity, June 2023

51 National Institute of Economic and Social Research, Productivity in the UK: Evidence Review, June 2022, p. 5

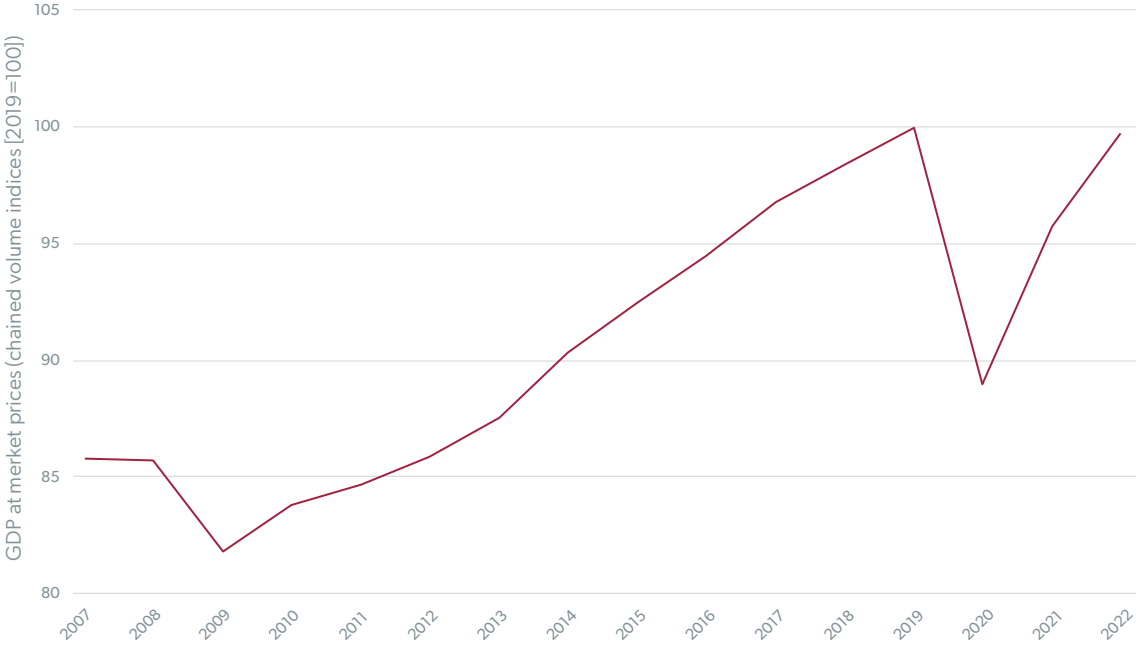
52 ONS, UK Whole Economy: Output Per Hour Worked % Change Per Annum SA, July 2023

On an individual level, the GFC led to a steep rise in unemployment which ended historically low rates, rising to 7.1 per cent by the start of 2009. By the end of 2011, nearly 2.7 million people were looking for work.<sup>53</sup> The introduction of Universal Credit (UC) in 2013 helped to ease high levels of unemployment, which by the end of the decade had reduced to even lower levels than before the financial crisis.

## The COVID-19 Pandemic and its Economic After-Effects

12 years after the GFC, the world was struck by the COVID-19 pandemic, which had a far greater economic impact than the events of 2007-2008. The global response to the pandemic caused a recession and a drop in GDP not seen since ONS measurements began in 1955.<sup>54</sup> The first lockdown led to a 19.8 per cent fall in GDP between April and June 2020.<sup>55</sup> Household spending fell by over 20 per cent, the largest contraction on record.<sup>56</sup>

Figure 4: GDP Trend From the GFC to COVID-19 Pandemic



Source: ONS, CSJ Analysis of 'GDP – Data Tables'

53 ONS, The 2008 Recession 10 Years On, 30 April 2018

54 ONS, GDP and Events in History: How the COVID-19 Pandemic shocked the UK Economy, May 2022

55 Ibid

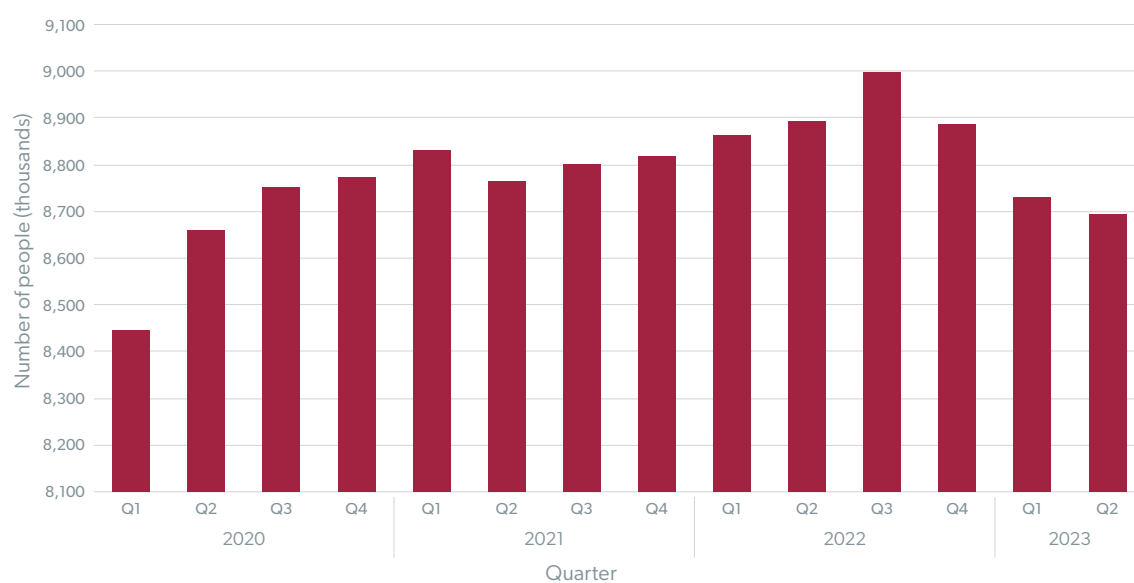
56 Ibid

## Impact on Jobs

The initial impact of the COVID-19 pandemic on jobs was cushioned by the swift introduction of the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS) in March 2020. In total, 11.7 million employee jobs were subsidised through the CJRS, at a cost of £70 billion.<sup>57</sup> Those who did lose their jobs were swiftly picked up through UC. Three million new cases were successfully absorbed in the first year of the COVID-19 pandemic, with 90 per cent of claimants receiving their payments in full and on time in a period of unprecedented demand.<sup>58</sup> The online system form of UC allowed for a £20 uplift to be made successfully and quickly to the standard allowance.

The impact on work was emphatic and has proved to have long-lasting consequences in the form of higher rates of economic inactivity and lower employment rates. House of Commons Library analysis on the immediate impact of lockdown, showed that the number of people in work fell by 825,000 between January-March 2020 and October-December 2020, while unemployment rose by almost 400,000. The number of people who were economically inactive rose by 327,000.<sup>59</sup> By the start of 2021, employment and unemployment levels began to recover, but economic inactivity continued to grow, peaking in Q3 2022 at nearly nine million, over half a million more than in Q1 2020.

Figure 5: Economic Inactivity, 2020 to 2023



Source: ONS, CSJ Analysis of 'LFS: Economically Inactive: UK: All: Aged 16-64: Thousands: SA.'

There were 130,000 fewer people aged 16-64 in employment in May – July 2023 than before the pandemic.<sup>60</sup> As per Figure 6, despite rising in the second half of 2021, the employment rate has begun to fall again in 2023 and is currently 75.5 per cent.

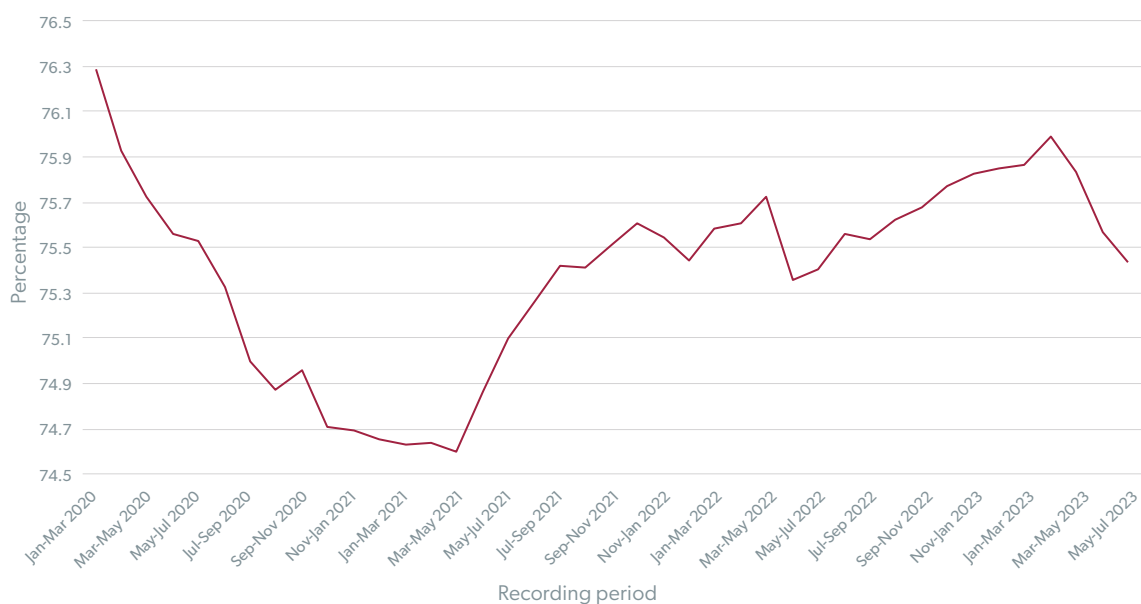
57 House of Commons Library, Coronavirus: Impact on the Labour Market, August 2022, p. 13

58 CSJ, Universal Credit Briefing, June 2021, p. 2

59 Francis-Devine, B., Powell, A., Clark, H., Coronavirus: Impact on the Labour Market, 9 August 2022

60 ONS, A02 NSA: Employment, Unemployment and Economic Inactivity for People Aged 16 and Over and Aged from 16 to 64 (not seasonally adjusted), 12 September 2023

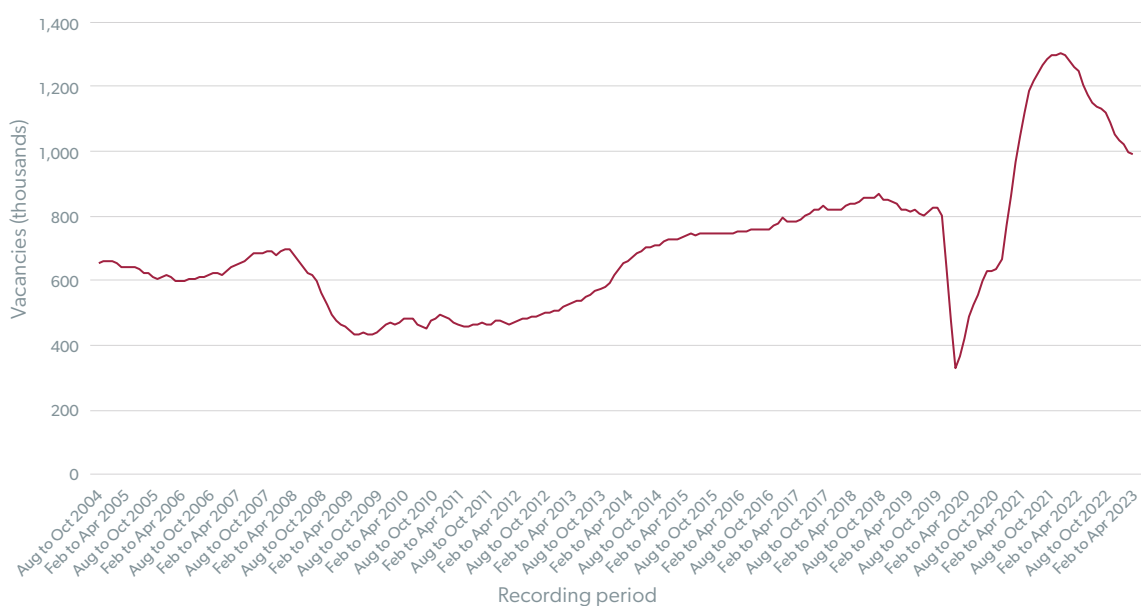
Figure 6: Employment Rate, 2020 to 2023



Source: ONS, CSJ Analysis of 'A02 NSA: Employment, Unemployment and Economic Inactivity for People Aged 16 and Over and Aged From 16 to 64 (not seasonally adjusted).'

The employment rate, combined with changes to migration trends, has contributed to record shortages in the UK economy. Vacancies peaked at 1.3 million in early 2022 and have now fallen to 957,000 in August to October 2023. Shortages make it difficult for companies to grow their operations and achieve their objectives, as well as contribute to upwards wage pressure, which the Bank of England claims is having an inflationary effect.<sup>61</sup>

Figure 7: UK Vacancies, 2004 to 2023



Source: ONS, CSJ Analysis of 'Vacancies and Jobs in the UK: October 2023'

61 Bank of England, Implications of Current Wage Inflation - Speech by Jonathan Haskell, 3 November 2023

Record vacancies have emerged despite seasonally adjusted 16–64-year-old unemployment falling to below pre-pandemic levels for successive quarters after October-December 2020.<sup>62</sup> Unemployment fell throughout 2021 and continued to fall in 2022. In January-March 2022, 1.24 million people were unemployed, 508,000 less than in the last quarter of 2020.<sup>63</sup> This has since risen to 1.4 million, 4.8 per cent of the 16–64-year-old working population in April-June 2023.<sup>64</sup>

The fall in the unemployment over the COVID-19 pandemic can be partially explained by the increase in economic inactivity. 36 per cent of all working-age people reported at least one long-term health condition from January – March 2023. This is an increase from 31 per cent in the same period in 2019 and represents a fall of two million people reporting themselves fully fit in just four years.<sup>65</sup>

The increase in economic inactivity has been spurred on by a remarkable increase in mental health conditions among the working-age population, especially in younger cohorts. In Q1 2023, 53 per cent of those inactive because of long-term sickness reported that they had depression, bad nerves, or anxiety. This equates to over 1.35 million people, with the majority reporting the above as a secondary health condition.<sup>66</sup> The Office for Budget Responsibility (OBR) has found that the increase in working age inactivity due to long-term sickness since the COVID-19 pandemic has added £6.8 billion to the annual welfare bill and cost the Treasury £8.9 billion in foregone tax receipts.<sup>67</sup>

## Impact on Government Spending and Debt

£177 billion more was spent in 2020/21 than had been budgeted.<sup>68</sup> As of June 2022, The National Audit Office estimated that the total cost of all COVID-19 pandemic support measures will eventually come to £376 billion<sup>69</sup>, or £5,603 per person, while the IMF estimate total spending at £407 billion, or £6,067 per person.<sup>70</sup> HM Treasury, HM Revenue and Customs (HMRC), Department for Health and Social Care (DHSC), and then named Department for Business, Energy & Industrial Strategy (BEIS) were responsible for nearly 80 per cent of all COVID-19 pandemic spending.<sup>71</sup>

Despite much necessary spending, the Public Accounts Committee found that the cost of fraud increased from £5.5 billion in the two years before the pandemic to £21 billion in the following two.<sup>72</sup> Of this, £7.3 billion was related to temporary schemes.<sup>73</sup>

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62 House of Commons Library, Coronavirus: Impact on the Labour Market, August 2022, p. 4

63 Ibid, p. 12

64 ONS, A02 NSA: Employment, Unemployment, and Economic Inactivity for People Aged 16 and Over and Aged from 16-64 (not seasonally adjusted), 12 September 2023

65 ONS, Too Ill to Work: A Deeper Look at What the Figures Show, July 2023

66 ONS, Rising Ill-Health and Economic Inactivity Because of Long-Term Sickness, UK: 2019 to 2023, July 2023

67 Office for Budget (OBR) Responsibility, Fiscal Risks and Sustainability, July 2023

68 Ibid

69 National Audit Office, COVID-19 Cost Tracker, June 2022

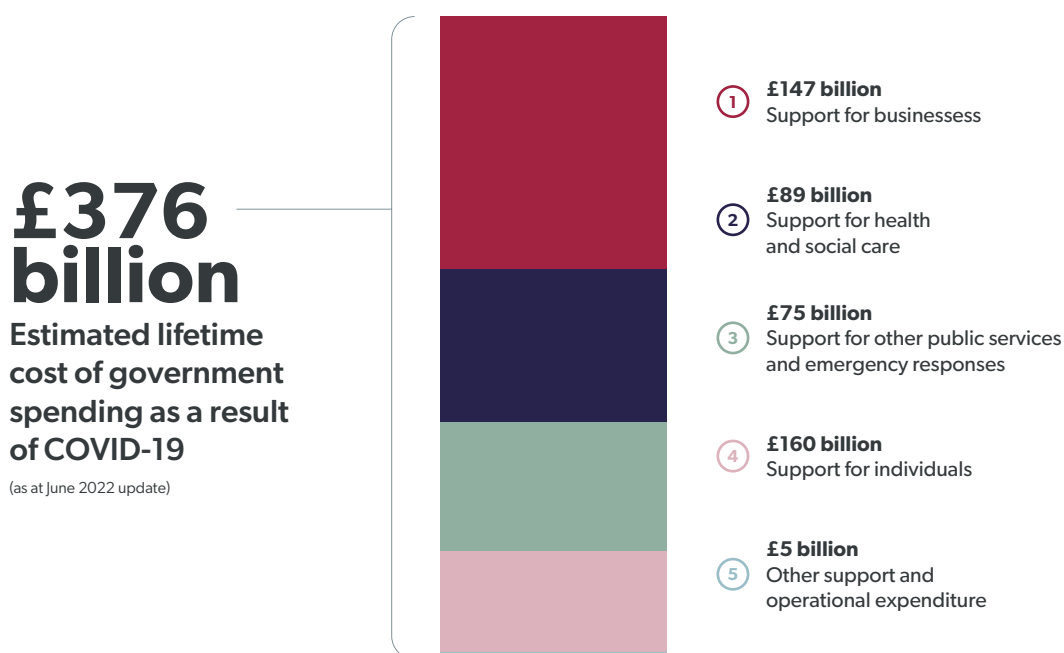
70 International Monetary Fund, Database of Fiscal Policy Responses to COVID-19, October 2021

71 House of Commons, Public Spending During the Covid-19 Pandemic, September 2023, p. 11

72 House of Commons, Tackling Fraud and Corruption Against Government, 8 September 2023, p. 5

73 Ibid, p. 9

Figure 8: NAO Estimated Government COVID-19 Spending, June 2022



Source: National Audit Office, COVID-19 Cost Tracker

The Government borrowed £458 billion in 2020 and 2021, a peacetime record high, equivalent to between 13 and eight per cent of GDP in each respective year. For context, the previous peacetime record, set in 2009–10 following the financial crisis, was ten per cent. This rise was primarily driven by COVID-19 pandemic-related spending and meant that government debt as a percentage of GDP was 21.3 per cent higher at the end of 2021 than 2019.<sup>74</sup>

## The Economic Landscape Now

The UK's financial services boom, beginning in the 1980s, undoubtedly drove economic growth and pushed up average wages and productivity. However, growth did not continue post-financial crisis, and after the COVID-19 pandemic UK is now marked by high levels of inactivity and long-term sickness.

A long-term result of the concentration of economic growth in London and the South East is that the UK is marked by high regional inequality. The gross value added to the economy is widely different across UK regions and nations. Regions that were historically dependent on manufacturing and other industries struggled to compete with the growth of financial services in London and the South East.

The country has also become dependent on high levels of Foreign Direct Investment (FDI). In 2022, the UK ranked second for inward FDI in 2022.<sup>75</sup> However, the benefits of high levels of FDI, are not spread evenly. In 2021, just 34 per cent of UK listed shares were held by UK based investors.<sup>76</sup> Nearly half of FDI in 2021 was directed to London.<sup>77</sup>

74 EY, Foreign Direct Investment: UK Remains Second in Europe Despite a Fall in Project Numbers, New EY Report Reveals, 19 June 2023

75 UK Parliament, Foreign Direct Investment Statistics, June 2023

76 Orient Capital, Foreign Investors Take an Increased Stake in UK plc, 2021

77 Ward, M., Foreign Direct Investment Statistics, 20 June 2023

Despite the benefits FDI can bring to UK businesses in need of capital, international investment can quickly turn to speculation, and short-term profit can have a greater appeal than the long-term benefit for communities or the service of British strategic economic interests. For example, the Scunthorpe Steel works, once a profitable industry owned by the British state, has, since its privatisation, had several international owners, being sold for just £1 in 2016. Through every change, the town has suffered job losses and uncertainty.<sup>78</sup> Indeed, in November 2023, the Chinese owned British Steel announced plans to close the blast furnace at Scunthorpe with the likely loss of 2000 local jobs.<sup>79</sup>

Unequal economic fortunes have led to a stark productivity gap between different regions of the UK. Just two regions of the UK are above the average level of UK productivity. Indeed, London is markedly ahead of any part of the UK. Its relative output is over three times the size of the South East, the UK's second most productive region. Every other nation and region of the UK fell below the UK productivity average in 2021.

*Table 1: Output per Hour Relative to UK Average (2021 UK Productivity baseline = 0.00)*

REGION	OUTPUT PER HOUR RELATIVE PROPORTION COMPARED TO UK AVERAGE (PER CENT)
London	33.2
South East	9.9
Scotland	-4.7
East of England	-6.0
North West	-9.2
South West	-10.2
Northern Ireland	-10.6
East Midlands	-12.9
West Midlands	-13.1
Yorkshire and the Humber	-15.0
Wales	-15.9
North East	-17.4

Source: ONS, CSJ Analysis of 'Regional Labour Productivity UK:2021'

Regional GVA statistics also serve to demonstrate UK regional inequality. In 2004, the three regions and nations with the lowest GVA, respectively, were Northern Ireland, the North East and Wales.<sup>80</sup> The top three regions, respectively, were London, the South East, and the North West.<sup>81</sup> By 2021, these regions retained their respective order as top and bottom three, but the gulf had widened. London's regional GVA increased by 66.9 per cent in the time period, compared to just 38.2 per cent for the North East.<sup>82</sup> All regions, apart from London, the South East, the North West, and the East were below the average GVA in both 2004 and 2021.<sup>83</sup>

78 Turner, D., How Britain Lost British Steel, 4 April 2023

79 Price, C., British Steel Confirms Plans to Shut Blast Furnaces in £1.25bn Net Zero Overhaul, 6 November 2023

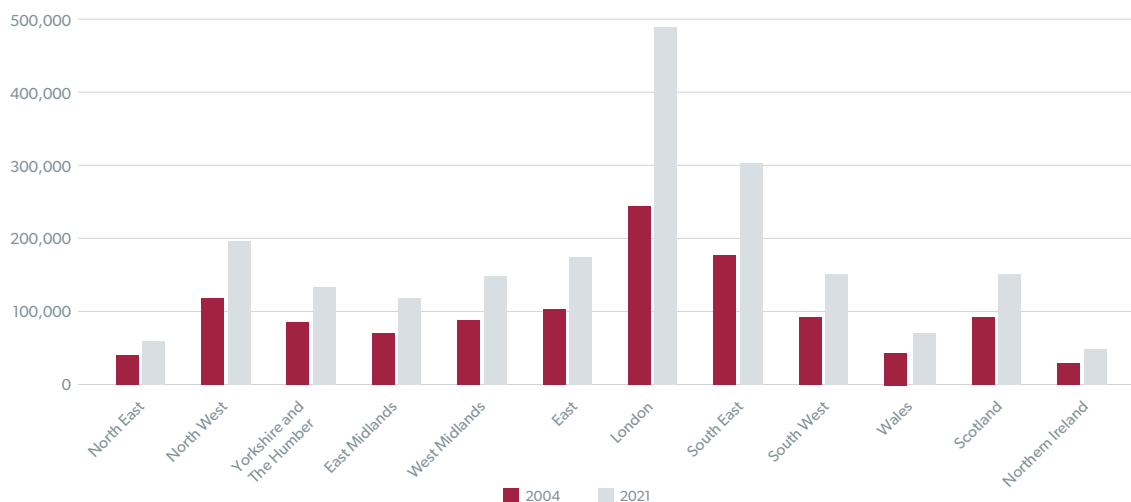
80 ONS, Revisions Triangles: Regional Gross Value Added (balanced) in Current Basic Prices, April 2023

81 Ibid

82 CSJ Analysis of ONS Data, Revisions Triangles: Regional Gross Value Added (balanced) in Current Basic Prices, April 2023

83 Ibid

Figure 9: Regional Gross Value Added (2023 Basic Prices £m), 2004 to 2021



Source: ONS, CSJ Analysis of 'Revisions Triangles: Regional Gross Value Added (balanced) in Current Basic Prices, April 2023

When compared internationally, the UK is more dependent on London for economic output than comparative countries are on their financial capitals. Analysis by The Financial Times in 2023 found that by removing London's output, the UK's GDP per capita would reduce by 14 per cent. By removing Amsterdam from the Netherlands, GDP per capita would decline by only five per cent. Removing Munich from Germany would just take off one per cent of GDP per capita. Without London, the UK would have lower living standards per head than Mississippi, the poorest US state.<sup>84</sup>

## Long-Term Inflation and Interest Rates

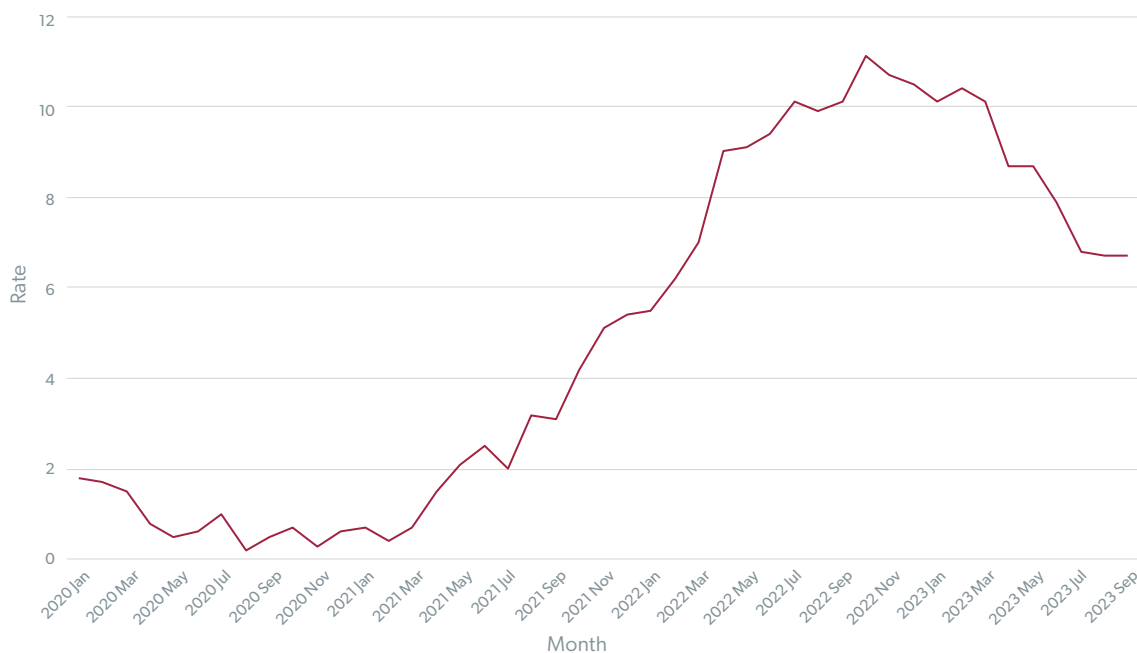
As the world recovered from the COVID-19 pandemic, the sudden demand for goods and services and corresponding supply chain disruption contributed to soaring energy and fuel prices. This added to international inflationary pressures. Russia's invasion of Ukraine compounded existing pressures on energy prices and drove them to record highs.<sup>85</sup> The corresponding rise in interest rates, whilst incentivising saving, has impacted many vulnerable households by creating extra financial liabilities on their household debt. This economic phenomenon has led to what is now referred to as the 'cost of living crisis'.

<sup>84</sup> Burn-Murdoch, J., Is Britain Really as Poor as Mississippi?, 11 August 2023

<sup>85</sup> European Central Bank, One Year Since Russia's Invasion of Ukraine – the Effects on Euro Area Inflation, February 2023



Figure 10: UK Inflation (CPI [2015 = 100]), 2020 to 2023



Source: ONS, CSJ Analysis of 'CPI Annual Rate 00: All items 2015 =100'

October 2022 marked the highest level of inflation for 41 years, a high of 11.1 per cent.<sup>86</sup> Between 2021 and 2023, the cost of consumer goods such as food have risen by 28 per cent.<sup>87</sup> It previously took over 13 years from 2008 to 2021 for average food prices to rise by the same amount.<sup>88</sup>

The increase in energy prices have been one of the core contributing drivers of inflation and have made balancing household budgets increasingly difficult for hard pressed families. The energy price cap, which regulates the maximum amount energy suppliers can charge households for each unit of energy, increased by 12 per cent in October 2021, and 54 per cent in April 2022. It was due to increase by 80 per cent in October 2022 until the Government instituted the Energy Price Guarantee (EPG) to keep bills at around £2,500 per year for the typical household. The Government also instituted the Energy Bills Support Scheme (EBSS) to provide monthly instalments to subsidise every household's energy bills.<sup>89</sup> The sum total of Government support for energy costs in 2022/23 cost nearly £40 billion.<sup>90</sup>

The double economic shock caused by the COVID-19 pandemic and war in Ukraine disproportionately impacted the most deprived households who already paid a higher share of their income towards the cost of essentials. When inflation hit its peak in October 2022, the highest 12-month inflation rate was recorded amongst the bottom three income deciles, as per Figure 11. Indeed, inflation was 26.2 per cent higher for the bottom income decile when compared to the top.<sup>91</sup> The ONS have calculated that around 15.2 per cent of total expenditure from low-income groups is spent on energy, food, and drink. This is 10.4 per cent for high-income groups.

86 Francis-Devine, B., et al., Rising Cost of Living in the UK, 17 November 2023, p. 5

87 Ibid

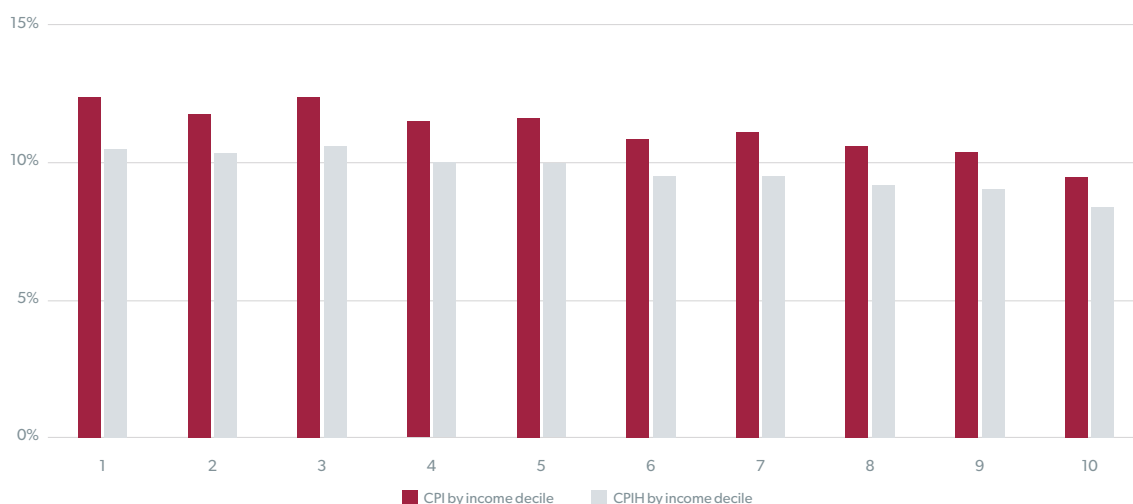
88 Ibid

89 UK Parliament, Domestic Energy Prices, September 2023, pp. 5, 8

90 Department for Energy Security and Net Zero, £40 billion Spent Protecting Families and Businesses from Energy Costs, June 2023

91 CSJ Analysis of ONS data, Inflation and the Cost of Living for Household Groups, UK: October 2022, 16 November 2022

Figure 11: 12-Month Inflation Rate by Income Quintile, October 2022



Source: ONS, Inflation and Cost of Living for Household Groups, UK: October 2022 Notes: Equalised Income Deciles (1 equals lowest-income households, 10 equals highest-income households).

Higher inflation for the lowest income deciles is explained by the fact that they pay a greater share of their income towards essentials. When inflation is calculated, the greater weight given to price changes in the low-income group results in higher inflation.<sup>92</sup>

Higher inflation for the most disadvantaged is compounded by the higher cost of everyday life experienced by those in poverty. In 2022, the CSJ discovered that nearly seven million people were paying multiple poverty premiums on essential products such as insurance, credit, energy, and food, costing on average £478 per year.<sup>93</sup> A poverty premium is the extra costs low-income households pay for essential goods and services.

A consequence of high inflation has been an increase in interest rates, which rose dramatically from February 2022. This has increased the cost of borrowing for many families, including the mortgage costs of many low-income households who own their own homes, which is common in areas of lower property prices such as Wales, the North East, or the North West. This caused the Government to announce temporary support for mortgage holders in June 2023, including giving homeowners the option of an interest-only mortgage for 6 months.<sup>94</sup> Analysis from the Institute of Fiscal Studies (IFS) has shown that interest rate increases could see 1.4 million homeowners lose 20 per cent of their disposable income.<sup>95</sup>

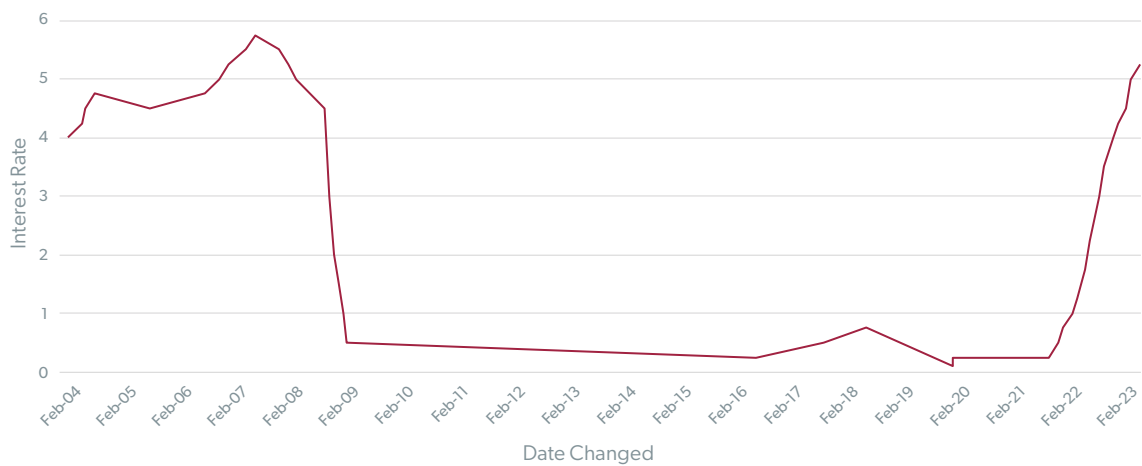
92 ONS, Inflation and Cost of Living for Household Groups, UK: October 2022, 16 November 2022

93 CSJ, Over the Odds: Next Steps for Dismantling the Poverty Premium, November 2022, p. 5

94 HM Treasury, Chancellor Agrees New Support Measures for Mortgage Holders, 23 June 2023

95 Institute for Fiscal Studies, Interest Rate Hikes Could See 1.4 Million People Lose 20% of Their Disposable Income, June 2023

Figure 12, UK Interest Rate Changes, 2004 to 2023

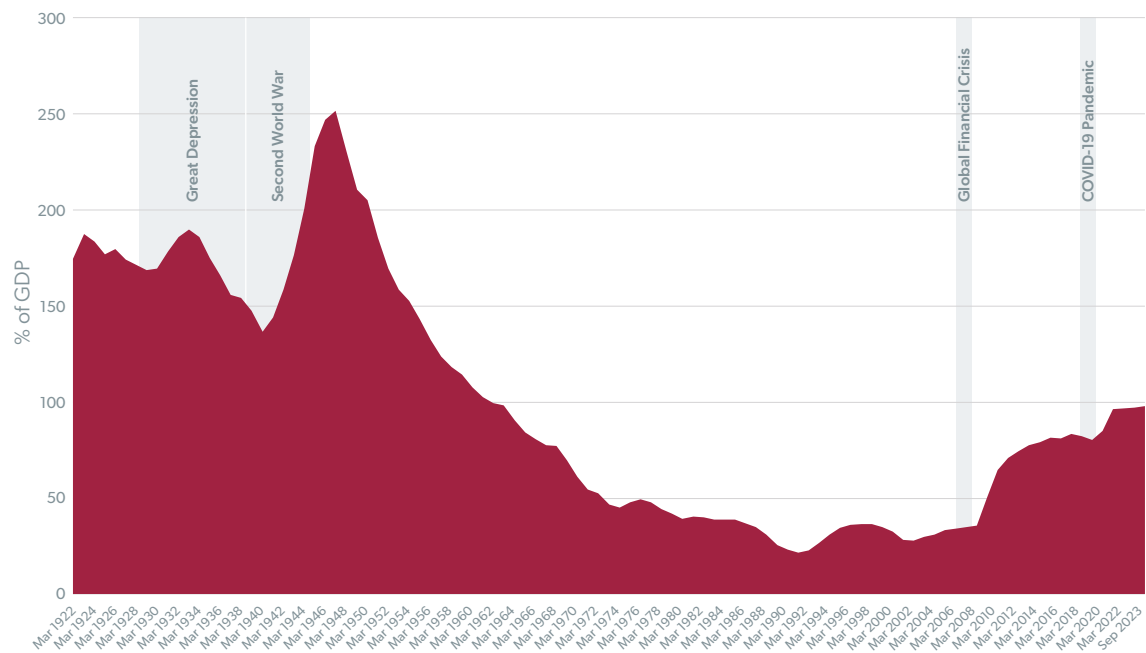


Source: Bank of England, CSJ analysis of 'Official Bank Rate history'

## The Cost of Public Services

Public sector debt, the total amount of money the Government owes, as a proportion of GDP, was 31 per cent in 2004, before swelling to 50 per cent in 2009. Debt to GDP has been continually rising since the GFC, another marker of limited economic growth since 2008. As a result of increased Government spending during the COVID-19 pandemic, debt to GDP rose to 97.8 per cent in September 2023.<sup>96</sup> As per Figure 13, this is the first time debt to GDP has hit near 100 per cent since the early 1960s when the nation was still paying back the debt it held after the Second World War.

Figure 13: Public Sector Debt as a Percentage of GDP, 1922 to 2023



Source: ONS, CSJ Analysis of 'Public Sector Finances, UK: September 2023'

96 ONS, Public Sector Finances, UK: September 2023, 20 October 2023

The OBR's forecast for public sector debt in March 2023 was marginally better than its 2022 prediction. They expect public debt to peak in 2024 at 103.1 per cent of GDP, with a steady fall proceeding to 96.9 per cent in 2027-28.<sup>97</sup> Despite falling, these figures continue to be extremely high, increasing the UK's vulnerability to future economic shocks.

Critically, it is also becoming more expensive for the Government to service its debt, due to the number of government bonds linked to price rises. The credit rating agency Fitch has announced that the Treasury will spend 10.4 per cent of Government revenue servicing its debt interest in 2023, the highest level of any developed country.<sup>98</sup>

## Public Service Spending

The OBR expects that central government departments will spend £421.7 billion on day-to-day running costs in 2023/24, 35 per cent of public spending. £176.2 billion of that is on health, £81.4 billion on education, and £32.4 billion on defence.<sup>99</sup>

Whilst public service day-to-day spending is edging closer to half a trillion pounds a year, satisfaction has dropped. Overall satisfaction with the NHS fell to 29 per cent in 2022, a seven per cent drop from 2021.<sup>100</sup> This is also the lowest level of satisfaction since the survey was founded in 1983. Just 14 per cent said they were satisfied with social care, with 57 per cent saying they were dissatisfied.

Rising costs and high dissatisfaction raise questions about the viability of the UK's public services. Despite difficulties, the public want these services to remain. In June 2023, 87 per cent of people believe the NHS should provide a comprehensive service, 87 per cent wanted it free at the point of delivery, and 83 per cent wanted it funded primarily via taxation.<sup>101</sup>

## The Costs of Social Breakdown

Without a serious assessment of the drivers of the rising costs of public services, the cost to the taxpayer will soon become unmanageable. It is now more important than ever to address the root causes of demand and social breakdown to alleviate the financial pressure on Government and boost growth. Table 2 collates the costs of a number of issues facing society that make significant contributions to public service spending. An ageing population and low birth rate will only add to this pressure in decades to come.

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97 OBR, Economic and Fiscal Outlook, March 2023, p. 11

98 McDougall, M., UK to Run up Highest Debt Interest Bill in Developed World, 25 July 2023

99 OBR, A Brief Guide to the Public Finances, 5 April 2023

100 The Kings Fund, Public Satisfaction with the NHS and Social Care in 2022: Results from the British Social Attitudes Survey, 29 March 2023

101 NHS Confederation, New Poll Finds Enduring Public Support for the NHS Alongside Call for Government Action to Support Social Care, July 2023

Table 2: Cost Per Annum to Public Services of Issues Facing Society

ISSUE	COST/PER YEAR
Poor quality housing <sup>102</sup>	£1.4 billion
Harmful gambling <sup>103</sup>	£1.77 billion
Family breakdown <sup>104</sup>	£51 billion
Excluded children <sup>105</sup>	£2.1 billion
Skills and labour shortages <sup>106</sup>	£39 billion
Sickness causing lost productivity <sup>107</sup>	£43 billion
Lack of housebuilding <sup>108</sup>	£17 billion
Domestic abuse <sup>109</sup>	£2.4 billion
Low numeracy skills <sup>110</sup>	£25 billion
Low literacy skills <sup>111</sup>	£80 billion
Crime <sup>112</sup>	£59 billion

## The Complexity of Poverty – More Than Just the Money

As the Commission travelled the country, while the financial backdrop including the cost-of-living crisis was a key issue, it was clear from in-depth conversations with people from all walks of life that a purely monetary understanding of poverty misses its true complex nature. It does not do justice to the multiple disadvantages that individuals must overcome to live the lives they want to lead. The most disadvantaged across our nation are not always those who have the least money but those whose lives are marked by wasted potential driven by family breakdown, educational failure, worklessness, addiction, and debt. These aspects of poverty catch people in traps of misery and isolation, and signify huge amounts of wasted human potential.

Unless these causes are tackled at their root, the challenges of slow economic growth, stagnant productivity, and rising welfare costs will only grow.

## Two Nations Will Examine how for the Most Disadvantaged:

Work is not worth it, is typically insecure and poor quality (Chapter 1: Economic Vulnerability); crime is the worst thing identified about where people live (Chapter 2: Unsafe Streets); housing is poor, communities are torn apart by addiction, and small charities are being hollowed out (Chapter 3: Fractured Communities); family breakdown hits the poorest families the hardest (Chapter 4: Fragile Families); and children are struggling and still suffering from the scars of lockdown (Chapter 5: A Challenging Start).

By prioritising primary interventions that address the root causes of social breakdown, the UK will be in a much stronger position to meet the domestic and international challenges of the 21st century.

102 Building Research Establishment, BRE Report Finds Poor Housing is Costing NHS £1.4 billion per Year, November 2021

103 Office for Health Improvements and Disparities and Public Health England, Gambling-Related Harms Evidence Review: Summary, 11 January 2023

104 Marriage Foundation, Government Under Pressure to Back Marriage as Cost of Family Breakdown Hits £51 Billion, January 2018

105 IPPR, Making the Difference: Breaking the Link Between School Exclusion and Social Exclusion, October 2017

106 House of Commons Library, Skills and Labour Shortages, January 2023

107 Ping Chan, S., Roberts, L., Britain Suffers £43bn Blow as Workers Get Poorer and Sicker, 27 April 2023

108 Nandy, L., Why I Opposed a Development in Wigan – and Why Labour’s Housing Plans Will Save Other Communities, 23 May 2023

109 CSJ, No Honour in Abuse: Harnessing the Health Service to End Domestic Abuse, May 2022

110 National Numeracy, Counting on the Recovery, April 2021, p. 15

111 World Literacy Foundation, The Economic & Social Cost of Illiteracy, March 2018, p. 8

112 OBS Statistics, The Impact of Crime on Victims and Society, March 2022



# ECONOMIC VULNERABILITY

# Economic Vulnerability

## Work and Welfare

Work is the foundation of our economy, driving economic growth, Gross Domestic Product (GDP), development, innovation, and investment. Work returns revenues to the Exchequer through taxes, funding the public services that we all benefit from, including supporting those who cannot work or fall on hard times.

For those in work, it should provide benefits beyond the pay cheque. Good work should provide a sense of dignity, pride, and purpose in daily life and support good mental and physical health.<sup>113</sup> Both for the economy and the individual, work is the cornerstone of the UK's economic resilience.

Some who claim out of work benefits may never be able to work. The welfare system should treat these people with dignity, respect, and compassion, and they should be provided with a satisfactory level of income.<sup>114</sup> However, those that can work should be supported to do so. The more people who move into work, and out of dependency, the greater generosity can be shown to those who cannot work.

For those who can work, while work remains the best way of poverty, substantial barriers to work remain, meaning that not all work is providing the route out of poverty that it should be. This chapter will examine the remaining barriers to work that are preventing people from realising their full potential, increasing their earnings, improving their life chances, and accessing the social and wellbeing benefits that good work can provide. This chapter will firstly describe the nature of the work often available to the most disadvantaged, which is typically poor quality. Secondly, it will examine how despite considerable progress in removing certain disincentives to work in recent years, barriers to work remain.

Supporting people into work has become an issue of national importance. Economic inactivity has risen since the COVID-19 pandemic. The total Universal Credit (UC) caseload has risen by 106 per cent since March 2020, and the number of claimants with No Work Requirements has increased by 186 per cent, as per Figure 1. The UC caseload hit its highest ever level in October 2023 at 6.2 million claimants, surpassing figures in the COVID-19 pandemic. In 2022, the CSJ estimated that there were around 1.2 million more working age benefit claimants than if pre-pandemic trends had continued.<sup>115</sup>

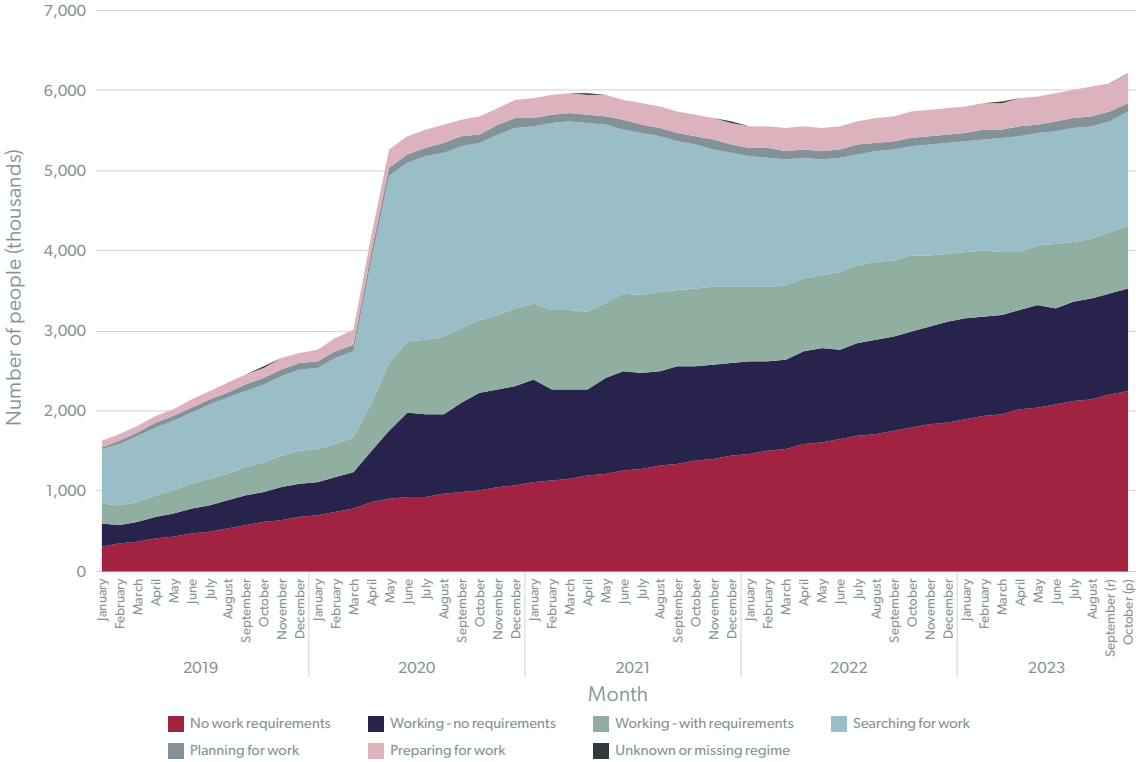
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<sup>113</sup> The National Centre for Social Research, *Work and Health*, 2021, p. 10

<sup>114</sup> Centre for Social Justice (CSJ), *On Target: Protecting Vulnerable Households From the inflation Crisis*, September 2022, p. 3

<sup>115</sup> CSJ, *Feeling the Benefit: How Universal Support Can Help get Britain Working*, October 2022, p. 4

Figure 1: Total Number of Universal Credit Claimants by Conditionality Regime, 2019 to 2023



Source: CSJ Analysis of DWP Data via StatExplore

## Poor Quality Work

Across the country, unstable work and low pay means work is not providing the route out of poverty that it should. These barriers have risen during a period of significant change to the UK labour market including the rise of the gig economy and the increased use of zero-hours contracts which have both increased the insecurity of work. The Commission heard that for some people, the majority of work available to them offers low pay and no opportunity for progression. For others, they cannot access job opportunities due to lack of training facilities and reliable transport. The common thread uniting people who experienced these barriers is that they cannot grasp the lifechanging opportunities that others enjoy in the workplace.

The Commission has learnt that:

1. Work is reported to be poor quality and offers little opportunity for progression
2. Wages at the bottom end of the spectrum remain low
3. Work is insecure



## Work is Reported to be Poor Quality and Offers Little Opportunity for Progression

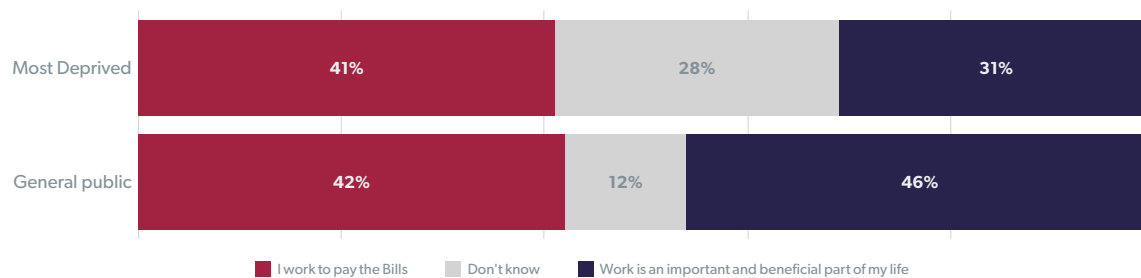
For many working people across the country, work is characterised by poor conditions, the most prevalent of which is insecurity. From the gig worker delivering food across city streets to the holiday park cleaner struggling to meet a cleaning quota, the Commission has heard firsthand the reality of unstable and poor quality work across the UK.

Work conditions refer to both the physical and psychological state of a workplace. Decent work is summarised by the International Labour Organization (ILO) as: *“the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”*.<sup>116</sup>

In its 2023 Good Work Index, the Chartered Institute of Personnel and Development found that job quality has been in decline for many UK workers since before the COVID-19 pandemic. Whilst there has not been a collapse in positive experiences of work, there has been a shift towards thinking work has neither a positive nor negative impact. 43 per cent thought that a job was purely transactional; just a way of earning money. 69 per cent of people thought that their work was useful, and 61 per cent said their work was important.<sup>117</sup>

Polling commissioned by Social Justice Commission paints a much bleaker picture of how both the general public and most deprived perceive their work. Whilst similarly to the Good Work Index, the Commission found that 42 per cent of the public have a transactional view of work, agreeing that it is just something they do to pay the bills, less than half, 46 per cent, agreed it was an important part of their life. For the most deprived, just three in ten agreed that work was important and provided tangible benefits to them.<sup>118</sup>

Figure 2: The Perception of Work



Source: Original Polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

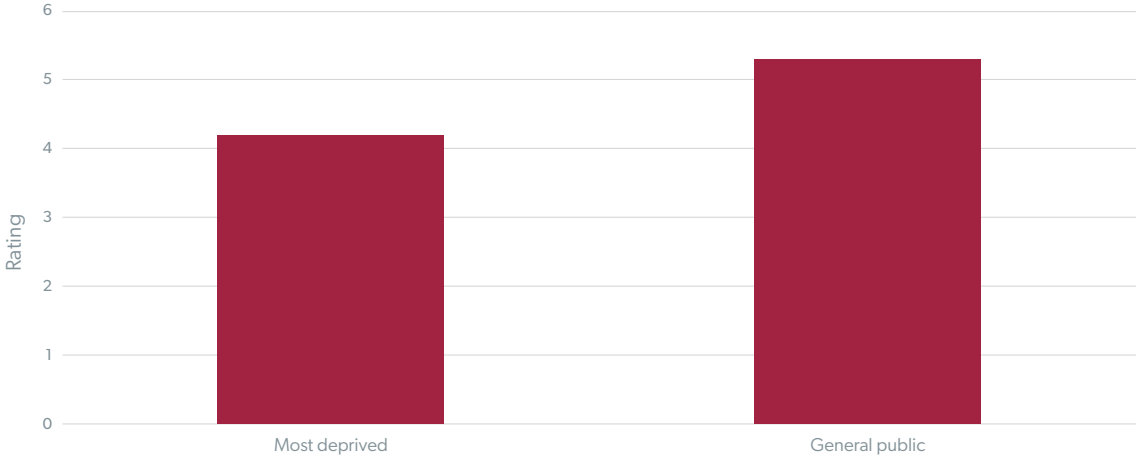
116 International Labour Organisation, Decent Work, n.d. Accessed: [www.ilo.org/global/topics/decent-work/lang--en/index.htm](http://www.ilo.org/global/topics/decent-work/lang--en/index.htm)

117 Brinkely, I., CIPD Good Work Index 2023: Survey Report, June 2023, p. 12

118 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

When asked to rate different aspects of life in their local area, employment opportunities had the greatest differentiation between the general public and most deprived, a 21 per cent difference between the perception of the most deprived and the national average. The general public rated employment opportunities 5.3 out of 10, compared to 4.2 for the most deprived, as shown below in Figure 3.<sup>119</sup>

Figure 3: Perceptions of Employment Opportunities



Source: Source: Original Polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

### Insecurity

While there are a variety of contributing factors to bad quality work, insecurity was a common thread dominant in nearly every experience of bad conditions given to the Commission.

A key aspect of work insecurity is its unpredictability. The Living Wage Foundation has previously found that 50 per cent of workers earning below the real living wage are given less than a week’s notice of their shifts. 21 per cent of workers have had their shifts cancelled unexpectedly, and 88 per cent are not compensated at their full rate of pay. One in three low-paid shift workers have increased reliance on credit and or debt because of short notice working hours or cancelled shifts, compared to 17 per cent who get paid at or above the real living wage.<sup>120</sup>

Job insecurity has multiple negative consequences. The Health Foundation identified that the impact of poor work conditions on health appears to be more significant than being paid pay poorly. There are a higher proportion of workers with low job satisfaction reporting poor or fair health (24.1 per cent) than workers with low pay (14.5 per cent).<sup>121</sup>

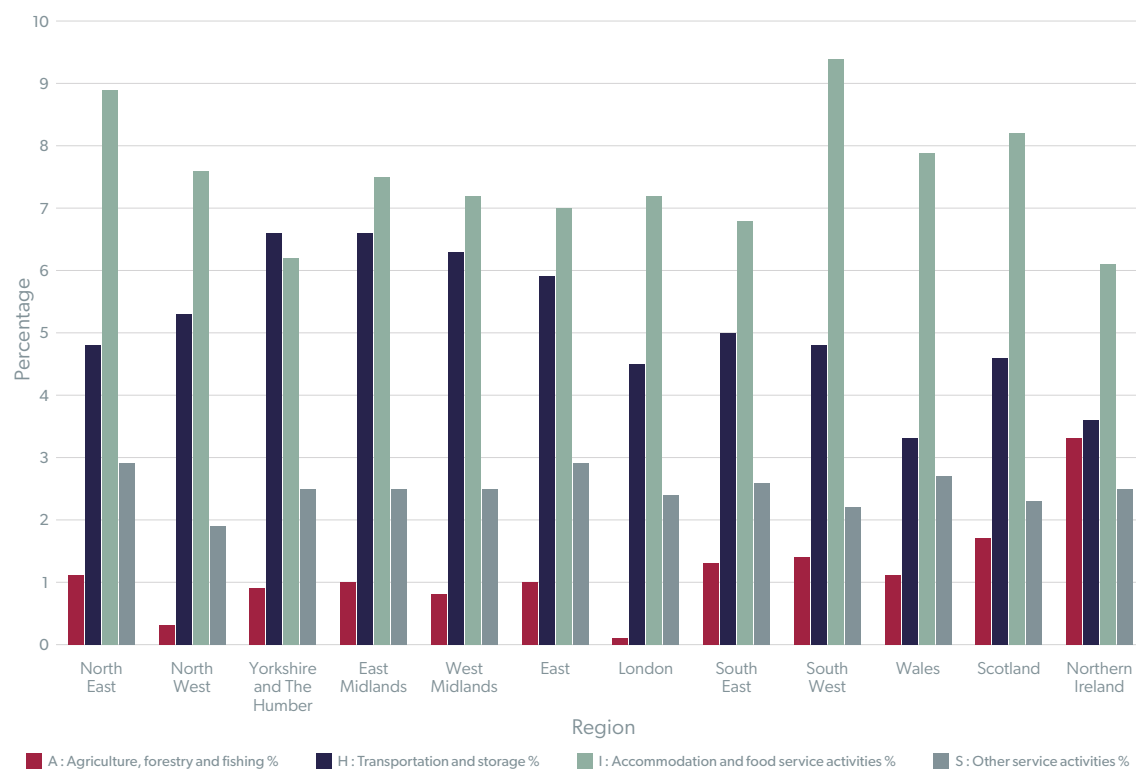
Insecurity is not a new problem. The proportion of workers experiencing severe insecurity over the period 2000 – 2021 was between 20-25 per cent, a fairly stable figure. However, the Health Foundation highlight how insecurity has become more complex, with the rise of zero-hours contracts, on-call work, and self-employment.<sup>122</sup> The same research found that the sectors with the highest rates of insecurity were distribution, hotels and restaurants, other services, and agriculture and fishing.<sup>123</sup>

119 Ibid  
 120 Living Wage Foundation, Almost One-Third of Working Adults Given Less Than a Week’s Notice of Working Hours, March 2022  
 121 The Health Foundation, Relationship Between Low-Quality Jobs and Health, June 2022  
 122 Work Foundation, The UK Insecure Work Index, May 2022, p. 9  
 123 Ibid, p. 16

The most disadvantaged workers have experienced high insecurity for decades, especially in post-industrial regions of the UK which have struggled with the absence of long-term stable employers. Professor of Economic and Social History at the University of Glasgow, Jim Tomlinson, argues that deindustrialisation has led to: *“a radical decline in activities that offered large amounts of regular, relatively well paid employment to working-class people with relatively limited educational qualifications...the now dominant services sector, in contrast, is characterised by a much more polarized range of jobs...this polarization is associated not just with great divergences in wage levels, but also less security for those at the bottom end; work for many has become much more uncertain and precarious.”*<sup>124</sup>

As per Figure 4, insecure sectors as a percentage of total jobs are not evenly spread across the country. The South West has the highest dependency on hospitality, which account for nearly 1 in 10 of all jobs. Yorkshire, the East and West Midlands and East of England, have a proportionally high reliance on transportation and storage.

Figure 4: Insecure Sectors of the Economy by Percentage of Total Workforce Jobs in Regions, June 2023

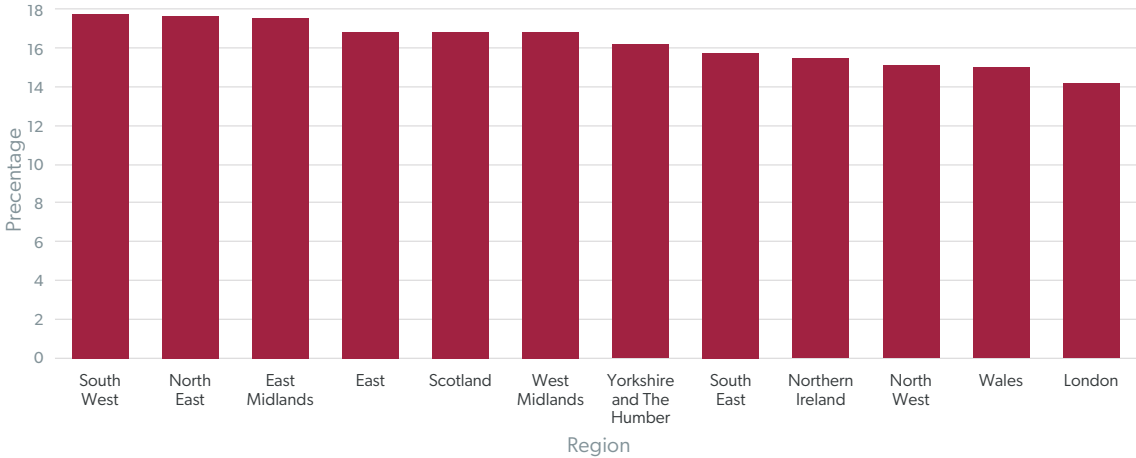


Source: CSJ Analysis of ONS data via Nomis

Figure 5 demonstrates the aggregate percentage of total jobs in insecure sectors of the economy, which are shown in Figure 4, by regions of the UK. Whilst not all the jobs in these sectors will be insecure, it demonstrates that certain regions of the UK rely more on insecure sectors of the economy for employment than others. London ranks lowest for the percentage of total jobs in insecure sectors. The South West, North East, and East Midlands have the highest share, as well as all falling below the UK average for weekly median pay in 2023.

124 Tomlinson, J., De-industrialization: Strengths and Weaknesses as A Key Concept For Understanding Post-War British History, 29 January 2019

Figure 5: Aggregated Insecure Sectors of the Economy (A, H, I, S) by Percentage of Total Workforce Jobs in Region, June 2023



Source: CSJ Analysis of ONS Data via Nomis

These figures demonstrate the unequal distribution of low-quality work across different regions of the UK, especially those which historically depended on industrial sectors of the economy. A greater reliance on low-quality, insecure jobs will stymie attempts to grow local economies, as tax receipts and investment will be lower. Furthermore, prevalence of low-quality work has a deep societal impact, leading to health problems, low aspiration, and a fraying of the social contract which add to the costs of social breakdown.

The Commission heard first-hand examples of insecurity contributing to health problems, a lack of progression in work, as well as long-term unemployment and inactivity in areas of the country that depend on low-quality and insecure work for employment. In a focus group held in Jaywick, Essex, where the Commission was told good jobs are scarce, one woman described the nature of insecure work in nearby holiday parks: *“If you take over the time to clean it you don’t get paid. They give you an hour and a quarter. If you go past that time, you don’t get paid. It’s slave labour, isn’t it?”* Several focus group participants had worked in insecure seasonal jobs or had frequent spells in and out of employment, due to the variation in demand for labour.

Across the country many of those with experience of insecure work claimed that they preferred the security of out of work benefits to the unpredictability of work. Although they in principle wanted to work, insecure work meant entitlements on Universal Credit changed monthly. Due to fluctuating hours, some of the women in Jaywick reported not knowing how much money they would be earning each month after the taper rate deducted their Universal Credit top-up. The security of knowing what was coming in each month which benefits provided was preferable to the insecurity of work. Purely receiving UC meant they knew they would get a regular amount of money and be able to budget accurately. Insecure work added an element of risk, not least the prospect of not being offered any shifts or last-minute cancellations.

The issues highlighted by the Commission’s Jaywick focus group were repeated by people across the country. Nationally, certain types of insecure work have grown in prominence, and the Commission has heard of their real-life impact on the most deprived. The percentage of working people on a zero-hours contract has increased from 0.4 per cent in 2004 to 3.6 per cent in 2022, as shown in Figure 5 below. This is an increase of 800 per cent. There was a steep rise in the number of people on zero-hours contracts between 2012 and 2013, before the trend returned to a steadier increase,

as per Figure 5. Research at the time attributed this sudden rise to employers reacting to the prolonged economic downturn following the 2008 financial crisis and an unforeseen reaction to the implementation of the 2008 European Union Temporary and Agency Worker Directive.<sup>125</sup>

Figure 6: Percentage of Workforce on Zero-Hours Contracts, 16 and over, 2004 to 2023



Source: ONS, CSJ Analysis of 'EMP17: People in Employment on Zero Hours Contracts.'

Zero hours contracts are a form of casual working agreement where the employer is under no obligation to give the employee a fixed number of hours. The economic and social demographics of people in zero-hours employment is varied. Young people and students often prefer the flexibility of zero-hours contracts, whilst for the women the Commission spoke to in Jaywick, it was the only option available to them and by no means their preferred contract type.

*"It's tough being on a zero-hours contract. It means you can get 16 hours one week and then nothing the next. Sometimes, working in the caravan cleaning business, they tell us we have 1hr and 15 minutes to clean, and if it takes extra, we don't get paid, yet if we leave it in a mess, we then don't get paid either."*

**Jaywick Focus Group Participant**

*[We need to] "End zero-hour contracts, young people out of care never access anything. Replace with flexible contracts."*

**Really Neet Project, Yorkshire**

125 Pennycook, M., Cory, G., Alakeson, M., A Matter of Time: The Rise of Zero-Hours Contracts, June 2013, p. 15

These sentiments were echoed in Sheffield, when the Commission spoke to the Link Community Hub:

*“Zero hours contracts are so difficult, and perhaps you’re claiming Universal Credit support, maybe you’re claiming housing benefit. That claim has got to be constantly reassessed... you’re on zero hours contracts, you’re just constantly trying to hit a moving target.”*

## Progression

Part of the ILO’s definition of good work is that it offers better prospects for personal development. Work should build peoples sense of aspiration, for both their personal and professional life. However, in the UK labour market, many people feel there is no way out of poor work and little opportunity to progress to higher pay or more responsibility.

Corresponding with the decline in traditional industry and manufacturing, there has been much discussion on the ‘hollowing out’ of jobs in the labour market’s middle-skill range, leading to an ‘hour glass’ effect on the UK jobs market. Traditionally, middle-skill range jobs would have been machine operators, cashiers, and secretaries, among others. Research from the Oxford University Centre on Skills, Knowledge and Organisational Performance has shown that for every ten medium-skill jobs that disappeared between 1996 and 2008, 5.5 of the new jobs that replaced them were low-skills.<sup>126</sup> Between 1993 and 2014 the share of the job market occupied by the lowest and highest three deciles increased, while there was a serious decline from the third to the seventh decile.<sup>127</sup>

Work progression amongst the lowest paid is difficult. Analysis from the Social Mobility Commission in 2017 found that for most low-paid workers, poorly paid positions “are not acting as a first rung on the ladder – it is only the rung.” Of all those who were low-paid in 2006, by 2016 just one in six managed to progress onto higher salary bands.<sup>128</sup> It appears that as middle-skill range jobs have declined, the rungs on the pay progression ladder have disappeared, leaving a vast gulf between those at the top and bottom of the jobs ladder. As middle-skill jobs have declined, it is much harder for people in low pay or bad quality work to progress out of their current job.

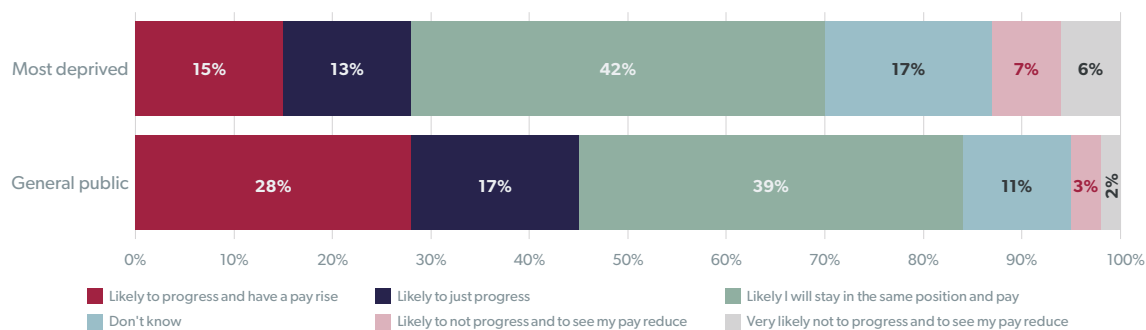
Polling for the Commission has found that whilst three in ten of the general public expect to progress at work and receive a pay rise in the next year, among the most deprived this fell to 1.5 in 10. Just over one in ten of the most deprived also felt it was either likely or very likely that they would not progress and see their pay fall, as per Figure 7.

126 The Financial Times, UK Economy Shows Shift to Low-Skilled Jobs, Research Finds, 19 January 2015

127 Gardine, L., Corlett, A., Looking Through the Hourglass: Hollowing Out of The UK Jobs Market Pre-and Post-Crisis, March 2015

128 Social Mobility Commission, The Great Escape? Low Pay and Progression in The UK’s Labour Market, October 2017

Figure 7: How People View Their Progression at Work



Source: Original Polling Conducted by JL Partners for The Centre for Social Justice of 6,000 Adults Nat Rep between 25th August 2023 and 2nd October 2023

The general public are 60 per cent more likely to say they will progress at work and have a pay rise than the most deprived.

The most deprived are also more likely to report uncertainty about their work, with 43 per cent more saying they don't know if they will have any progression or regression at work. One young woman from this category, in her early twenties, told the Commission about the lack of progression that she thought she could achieve at work.

*"Sweeping up hair and making cups of tea, is not a career path you're proud of. The cost of university fees, even if I wanted to consider a different career path...the thought of that much debt and not having those jobs down here and having to relocate to get that type of job... it's that as well. I don't know what I'd like to do, when I was at school, they didn't really speak to each person asking them what they wanted to do, they just said pick these subjects and stay on. You are left stuck and not really doing what you like. You are there for an extra 2 years doing something you don't see yourself doing. I never got told at school what options there are out there... the debt at the end of it for me and not possibly having a job to go to, I will just be in debt."*

**Female Focus Group Participant, Plymouth**

## Wages at the Bottom end of the Spectrum Remain low

*"I get about £2,000 with benefits and that, and I'm not much better off in work but it gets me out of the house; I don't just want to sit in the house. You feel stuck, very stuck."*

**Father with experience of worklessness, Plymouth**

*"Stop lying – they keep saying it pays to work. It doesn't."*

**North of Tyne Poverty Truth Commission, Lived Experience Commissioner**

*"Make sure benefits do not outweigh normal work rewards."*

**Focus Group Participant, Plymouth**

In the current cost of living crisis, money was identified most commonly by the public as the thing missing from their lives. This is true both across the most deprived cohort and the general public, indicating that whatever a person’s income, more money is always identified as a need.

Figure 8: What the Most Deprived View as Missing From Their Day-To-Day Lives



Source: Original Polling Conducted by JL Partners for The Centre for Social Justice of 6,000 Adults Nat Rep between 25th August 2023 and 2nd October 2023

Figure 9: What the General Public View as Missing from Their Day-to-day Lives



Source: Original Polling Conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023



When people are working, but the monetary reward is low, the benefits of work disintegrate. The question heard by the Commission across the country has been – ‘Why should I work when I don’t earn enough to live on – what is the point when I could claim welfare instead?’ Even in purely monetary terms, working would mean being financially better off, once the cost of work – including travel – has been deduced and the perceived effort of working is taken into account, work is deemed by some to not be worth it. This is a calculation based not just on the financial returns of work, but also the risk of entering into something considered to be unstable.

The economist Adam Smith wrote in ‘The Wealth of Nations’ that “a man must always live by his work, and his wages must at least be sufficient to maintain him. They must even upon most occasions be somewhat more, otherwise it would be impossible for him to bring up a family, and the race of such workmen could not last beyond the first generation.”<sup>129</sup>

This traditional assumption is not upheld across large parts of the UK’s most disadvantaged communities. The experience across the UK’s poorest communities is that work does not pay enough to exist without state support which has had a wide-ranging impact on other aspects of life. When work doesn’t pay and good jobs are absent from communities, social breakdown follows. Indeed, both the general public and most deprived see low wages as the most important cause of poverty in their area.<sup>130</sup>

A recent analysis by the academic Michael Lind, writes that the historic assumption that employers would pay satisfactory wages to support the employee and their dependents, has been replaced by a low wage, high welfare economic system. Lind argues that this system works in favour of employer exploitation, as the benefit of cheap labour is privatised (e.g. employers can maximise their profits), whilst the costs are socialised (e.g. the taxpayer must pick up the cost of suppressed wages by welfare subsidy).<sup>131</sup>

## The Welfare System Tops up Wages – the Rise of in Work Poverty

38 per cent of UC claimants are in work as of September 2023, meaning their earnings don’t pay enough without support from the welfare system.<sup>132</sup> However, this figure also includes part-time workers who may be choosing to work less hours for a variety of reasons such as caring and childcare responsibilities. In Breakthrough Britain, the CSJ warned that the true extent of poverty was being masked by the Government’s attempt to increase people’s incomes via tax credits.<sup>133</sup> Despite raising people’s total income, the necessity of this policy underlined how low pay had become endemic in certain parts of the UK and wages had to be subsidised by Government support.

Real average weekly pay growth has remained stagnant since the 2008 Global Financial Crisis (GFC), a contributing factor to the lack of well-paying jobs in many parts of the country. From 2000 to the end of 2007, real average weekly earnings increased by 20 per cent, meaning the average Britian was 20 per cent better off than they were seven years prior. From 2008, there was a significant fall in real earnings with consistent growth only beginning again in July 2014. Wage growth was much slower than before 2008, with a sharp increase in the immediate aftermath of the COVID-19 pandemic in July 2020. This marked the first time since the financial crisis began that weekly earnings went above the peak in 2008, as per Figure 10. For over 10 years the average British worker was actually poorer than before the GFC. There is yet to be a period of sustained earnings growth that makes the average Briton better off than in the mid 2000s.

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<sup>129</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 1776. Accessed: [www.goodreads.com/quotes/1055688-a-man-must-always-live-by-his-work-and-his](http://www.goodreads.com/quotes/1055688-a-man-must-always-live-by-his-work-and-his)

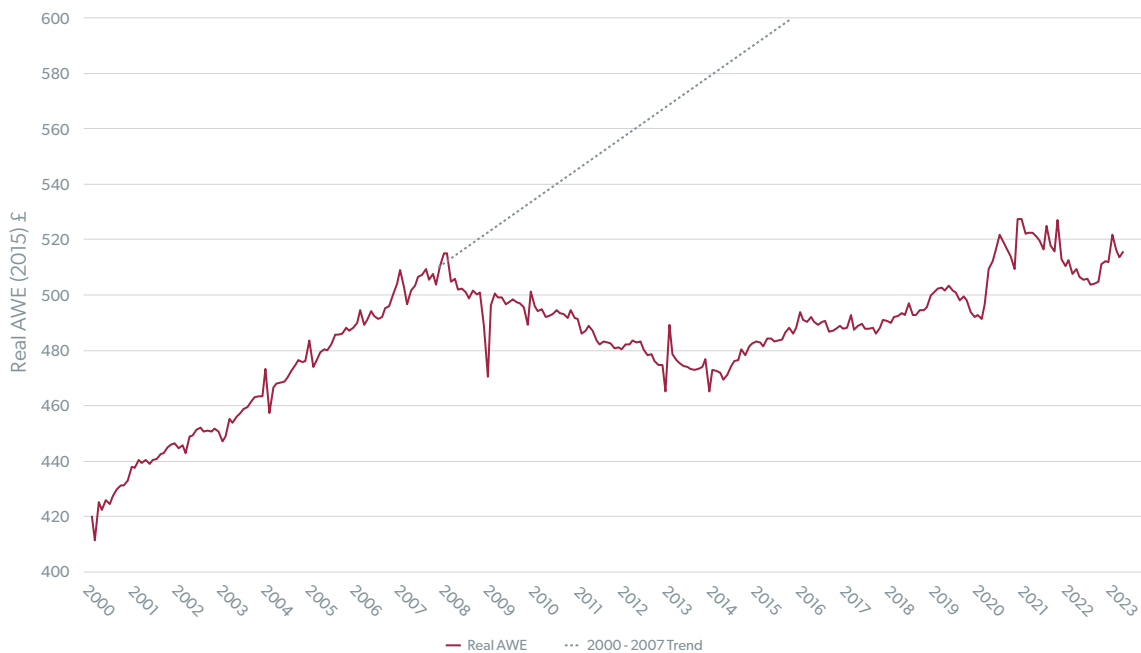
<sup>130</sup> Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

<sup>131</sup> Lind, M., *Hell to Pay*, 2023, p. 81

<sup>132</sup> Department for Work and Pensions, *Universal Credit Statistics*, 29 April 2013 to 12 October 2023, November 2023

<sup>133</sup> CSJ, *The State of The Nation Report: Economic Dependency*, December 2006, p. 12

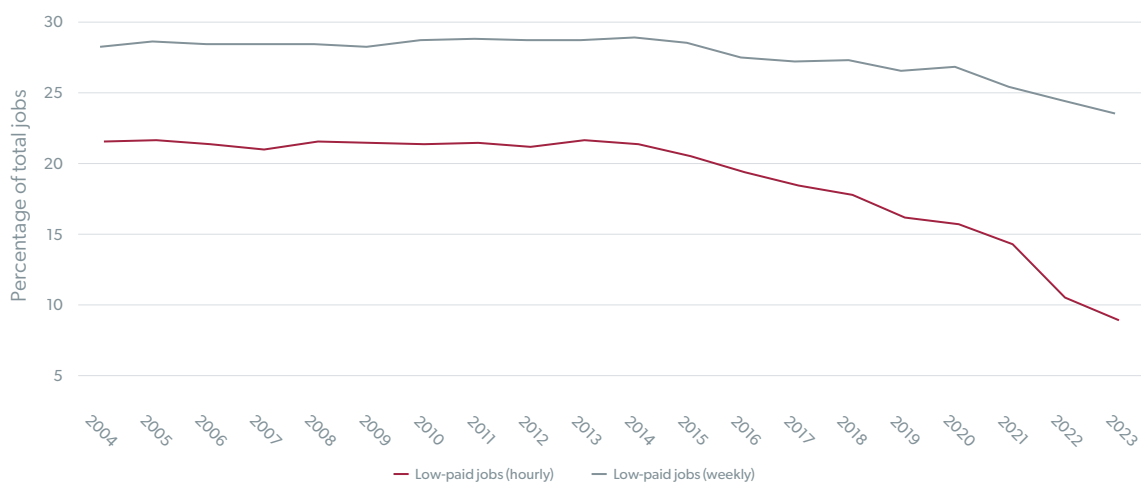
Figure 10: Real Average Weekly Earnings (2015) £, 2000 to 2023



Source: ONS, CSJ Analysis of 'EARN01: Average Weekly Earnings, Table 6.'

The number of people receiving state support in the form of UC rose exponentially during the pandemic and has remained at historically high levels since, reaching a peak in September 2023 of 6.1 million people. Despite the problems experienced by people on low pay in Britain today, there has been an overall decline in the number of people on low hourly and weekly pay since the CSJ was founded in 2004. This is commendable and demonstrates the successful impact of the National Living Wage, introduced in 2016, which now ranks as one of the highest minimum wages in the world, and the impact of the increased personal tax allowance.<sup>134</sup> The lower decline in weekly low pay demonstrates the limited impact the minimum wage can make on weekly earnings. Indeed, nearly one in four of the working population remain in weekly low pay work.

Figure 11: Low-Paid Jobs (Hourly and Weekly), 2004 to 2023



Source: ONS, CSJ Analysis of 'Low and High Pay in the UK.' Notes: Low pay is defined as the value that is two-thirds of median hourly earnings.

134 Cominetti, N., McCurdy, C., Thwaites, G., Vieira-Marques, R., Low Pay Britain 2023, The Resolution Foundation, April 2023, p. 10

Running alongside the National Living Wage is the voluntary Real Living Wage scheme which 14,000 employers are currently signed up to. Employers signed up to the scheme choose to pay a higher wage than the minimum, which is tied to the cost of living. The Living Wage Foundation found that 94 per cent of employers reported a benefit to their organisation from paying a higher wage.<sup>135</sup> Textiles manufacturer Thomas Kneale in Manchester said that the benefits outweigh the costs with “greater productivity, greater loyalty, and a fantastic feel from colleagues”.<sup>136</sup> The Real Living Wage is an example of voluntary action that brings together multiple stakeholders without the need for Government enforcement.

## Geographic and Demographic Prevalence of Low Pay

Low pay is more acute in some areas and demographics of the country, meaning that despite the overall reduction in low pay jobs, the available work on offer in some areas of high deprivation is disproportionately low-paid.

Despite progress on reducing overall levels of hourly and weekly low pay, national statistics fail to paint a complete picture of the nature of work across the constituent nations and regions of the UK. Only four UK regions (London, South East, East, and Scotland) were above the average for the median weekly pay for full time employees (£640) in 2022. Despite significant regional pay inequalities, the regions below the national average have seen increases at or above the UK wide median weekly pay growth rate since 2004, with the exception of Yorkshire and The Humber. These changes can be seen below in Table 1.

Table 1: Gross Median Weekly Pay by Region, 2022, and Change Since 2004

DESCRIPTION	MEDIAN FULL TIME WEEKLY PAY	GROWTH SINCE 2004
London	765.4	+50%
South East	685.3	+48%
East	667.6	+49%
Scotland	640.3	+64%
<b>United Kingdom</b>	<b>640</b>	<b>+53%</b>
South West	619.8	+56%
West Midlands	613.3	+56%
East Midlands	603.7	+54%
North West	603.7	+53%
Wales	603.5	+58%
Yorkshire and The Humber	594.1	+52%
Northern Ireland	591.3	+59%
North East	580.3	+57%

Source: ONS, CSJ Analysis of ‘Earnings and Hours Worked, Place of Residence by Local Authority: ASHE Table 8’

<sup>135</sup> Living Wage Foundation, The Living Wage Is Good for Business, n.d. Accessed: [www.livingwage.org.uk/good-for-business#:~:text=What%20are%20the%20business%20benefits,staff%20and%20attract%20new%20staff](http://www.livingwage.org.uk/good-for-business#:~:text=What%20are%20the%20business%20benefits,staff%20and%20attract%20new%20staff)

<sup>136</sup> BBC, Workers on Voluntary Real Living Wage, see 10% pay rise, October 2023

As well as regional inequalities in median pay distribution, some parts of the UK have a much greater percentage of low-paying jobs. Out of the top nine local authorities with the highest low pay rates in 2020, all except Portsmouth and Rother were in regions below the average for median weekly pay as seen in Table 2.

Table 2: Top Nine Local Authorities with Highest Low Pay Rate, 2020

LA NAME	REGION NAME	LOW PAY RATE
Boston	East Midlands	33%
Blackpool	North West	32%
Portsmouth	South East	29%
Melton	East Midlands	28%
Gwynedd	Wales	27%
Leicester	East Midlands	27%
Rother	South East	27%
Middlesbrough	North East	26%
North Devon	South West	26%

Source: Health Foundation, Analysis of the Office for National Statistics Annual Survey of Hours and Earnings 2020

Over the course of its inquiry, the Commission has visited and heard from grassroots organisations which serve low pay communities, and has listened to deeply personal testimonies on how low pay corrodes community life, aspiration, and the benefits of work.

For people whose only option is low pay work, there are only marginal benefits to moving into paid employment rather than claiming welfare. Analysis from academics at the London School of Economics has highlighted that unemployment is higher for those whose only option is low paid work compared to workers with the capability to access mid-to-high-paid work.<sup>137</sup> Whilst there will be several contributing factors to this phenomenon, the Commission has heard that the insecurity and the limited financial benefit of low pay work reduces the appeal of starting and retaining a job.

Retail, hospitality, social care, and cleaning, are the four biggest low-paying occupations.<sup>138</sup> Three-quarters of all minimum wage jobs are in occupations the Low Pay Commission has defined as 'low-paying'.<sup>139</sup> The Social Justice Commission learnt from the lived experience of people who were working or who had worked in these occupations. For them, work was largely unsatisfying, poor quality, with marginal financial benefit compared to remaining on welfare.

*“The biggest problem is low-income, and lack of travel (transport connections) ...companies have jumped on the bandwagon with the 20hr (a week) zero hours contracts . . . so they don’t have to pay tax.”*

**Pencader Family Centre, Wales**

137 Cominetti, N., Costa, R., Datta, N., Odamtten, F., Low Pay and Insecurity In The UK Labour Market, LSE, 22 June 2022

138 Low Pay Commission, National Minimum Wage Low Pay Commission Report 2022, p. 55, Table 3.4

139 Low Pay Commission, How Has The Increase In Economic Inactivity Affected Low-Paying Occupations?, 20 January 2023

*“The pay rate for skilled people is very low, if you can work from home, you could get employed for Bristol for more money.” [sic]*

**Focus Group Participant, Plymouth**

Despite these experiences, the majority of the people the Commission spoke to wanted to work, if work could provide the stability and pay they needed, and if respect was afforded to their labour. The commonly used examples of low pay occupations, such as retail, hospitality, social care, and cleaning, are vital cornerstones of a functioning society and should carry great respect, as they do in other advanced economies. It is the structure of the economy, and how companies choose to operate that marginalises the benefits of work, rather than the nature of the job that is being done. A key driver of low pay is deindustrialisation, that left a vacuum of good jobs that paid a medium to high wage. Between 1981 and 2017, the British manufacturing workforce halved, falling from 5.7 million in 1981 to 2.7 million in 2017. As secure and often well-paying manufacturing jobs left communities, the jobs that took their place failed to offer the same conditions and salary.<sup>140</sup>

As in many western economies, the process of globalisation has meant many manufacturing jobs have been offshored, whilst low pay service roles have taken their place, such as call-centres and retail. CSJ analysis has shown that there is a significant pay advantage – around 10.4 per cent – for those workers who have retained a job in manufacturing instead of moving into low-value service jobs.<sup>141</sup>

The Commission heard about the common experience of low pay work in post-industrial regions of the UK.

*“So, it doesn’t have to happen overnight. So, there isn’t a big, big layoff of everybody stood in the street. So, there isn’t a critical reaction to it instead it happens slowly over a period of time up to the 80s to now 40 years of slow decline. And the only thing to get into after that would be the tertiary market retail which is in decline. So now we’re in a serious problem.”*

**Rush House Rotherham**

*“You know, the struggle, first of all, is the historic loss, the loss of investment in traditional industries.”*

**Charity Leader, Valleys Kids, Tonypany**

*“We have 3rd-4th generation worklessness here.”*

**Charity Leader, Llanhilleth Miners Institute, Welsh Valleys**

*“Years ago, most people worked in the docks or down in the pits, back in the day there was a thriving sense of community.”*

**Charity Leader, Key Community, South Shields**

140 CSJ, Making the Change, January 2023, p. 17

141 CSJ, Making the Change, January 2023, p. 19

*“What is down here for me? There is no choice to choose where to work... we used to make TVs; they went.”*

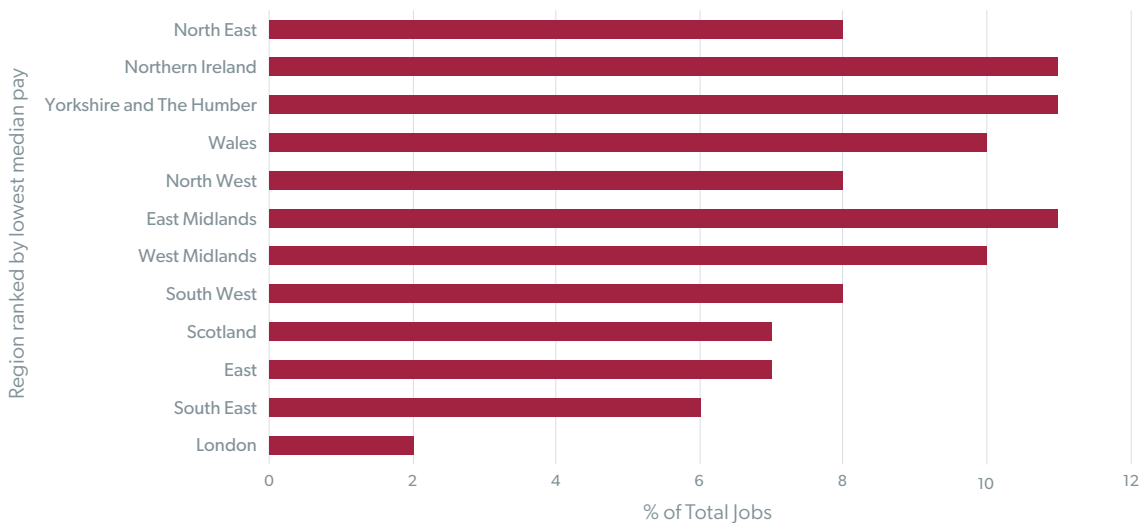
**Focus Group Participant, Plymouth**

*“And the other thing, the level of salaries and the living wage around here is very poor. You know, unless you’re really into tourism, there’s not a huge amount for people to do especially if you have children. It’s all shift work, it’s all low paid. And then if it’s low pay then can’t afford to pay for a private landlord.”*

**Aberconwy Domestic Abuse, Big Listen Wales**

As Figure 12 shows, regions with the lowest median weekly pay depend on manufacturing for a larger percentage of their total jobs than areas with higher median wages. Indeed, all four UK regions which rank above average for weekly median income in Table 1 are the least dependent on manufacturing as a local employer. Figure 12 shows the regions of the UK, ranked by lowest median pay in 2022, by their dependence on manufacturing jobs.

*Figure 12: Manufacturing Jobs as a Percentage of Total Jobs by Region Ranked by Lowest Median Pay in 2022*



Source: ONS, CSJ Analysis of 'JOBS05: Workforce Jobs by Region and Industry'.

This does not mean that manufacturing pays badly. CSJ analysis from 2022 showed that productivity in manufacturing tended to be above the UK average. Pockets of manufacturing exist as high-productivity pockets in otherwise below average productivity and pay areas.<sup>142</sup>

142 Ibid

## Good Secure Jobs are Hard to Access due to Poor Supply-Side Infrastructure

Investment in the UK economy is predominantly directed to regions with an established supply-side infrastructure. Supply-side policies refer to Government attempts to increase productivity and efficiency in the economy. The Commission has identified that in many of the UK's poorest regions, this infrastructure is lacking. Particularly in the areas of training, education, and transport connections. Lack of supply-side infrastructure is a barrier to opportunity for people living in many poorer parts of the UK.

For example, as stated previously, London receives nearly 50 per cent of all FDI. Investors will choose a region based on the potential it has for a successful return on their investment. This includes colleges and schools that equip students with the skills needed to make that investment a success. Amongst regions of the country that depended on manufacturing jobs, one of the most damaging aspects of high unemployment has been educational decline and the corresponding lack of business investment. This has left many people behind without good opportunities for work. By investing in the skills of people in left behind places of the UK, combined with a coherent industrial strategy, the benefits of good quality work can be unlocked for those currently excluded. Transport infrastructure, which enables labour mobility, is another key aspect of supply-side infrastructure and is lacking in many areas of the country with the result that many people are unable to take hold of job opportunities.

### Education and Skills

For all people across the UK to take advantage of good quality work opportunities, their communities must be equipped with the training and education infrastructure needed to prepare for work.

Recent findings have shown there is increasing concern about the skills of the UK workforce. 80 per cent of small firms faced difficulties recruiting applicants with suitable skills in the previous 12 months to 2022, which follows a long-term decline in skills and training across many of the UK's regions.<sup>143</sup>

CSJ analysis has shown that adults with lower-level qualifications face challenges in finding good quality and stable work. In 2022, adults without qualifications were 4.4 times more likely to be inactive and 1.6 times more likely to be unemployed than adults with a degree or degree apprenticeship.<sup>144</sup> Even when people with low-level qualifications secure a job, their low-qualification status significantly depresses their earning potential and constrains their ability to get a promotion.<sup>145</sup> The OECD has revealed that the UK could improve overall productivity by 5 per cent if it reduced its skills deficit.<sup>146</sup>

The Commission's analysis of the longitudinal education outcomes dataset reveals that the most deprived KS4 finishers are much more likely to be in lower paid work 15 years after finishing education. The least deprived quintile will earn, on average, 32 per cent more than their more disadvantaged peers after finishing school, as per Figure 13. University reduces some of this gap, with the most disadvantaged graduates earning more than least deprived non-graduates, and nearly the same amount as the average earnings for all least disadvantaged KS4 finishers.

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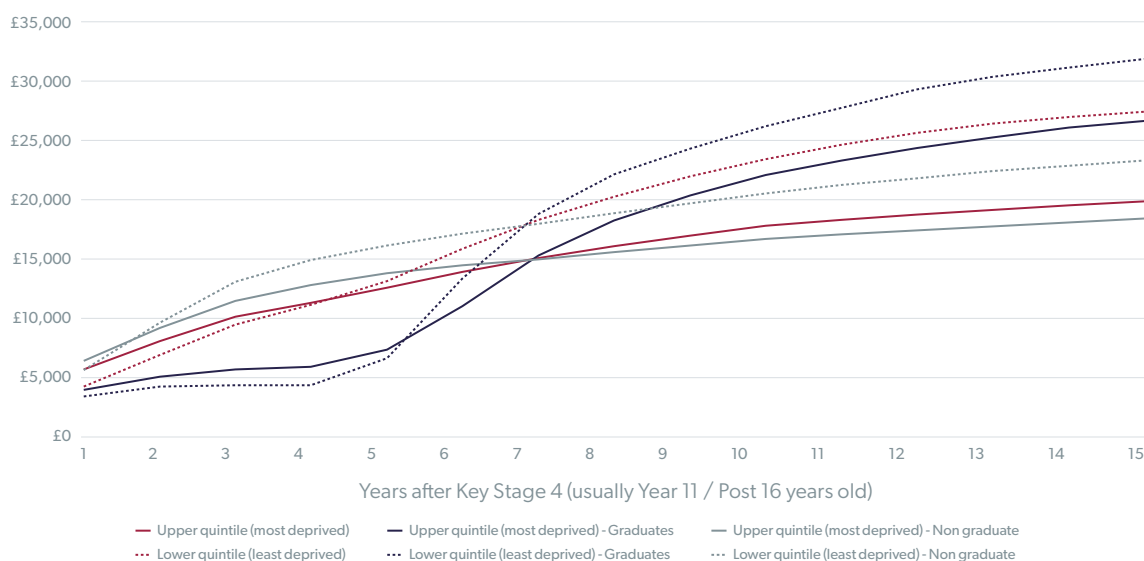
143 House of Commons Library, Skills and Labour Shortages, January 2023, p. 6

144 CSJ, Playing the Ace, November 2022, p. 7

145 Ibid, p. 9

146 OECD, Joint Economics Department and the Directorate for Science, Technology and Innovation, The Future of Productivity, July 2015

Figure 13: Labour Market Outcomes by Upper and Lower Quintiles: Post-16 Average Earnings for Cohorts who Completed KS4 in England, 2001/02 to 2006/07

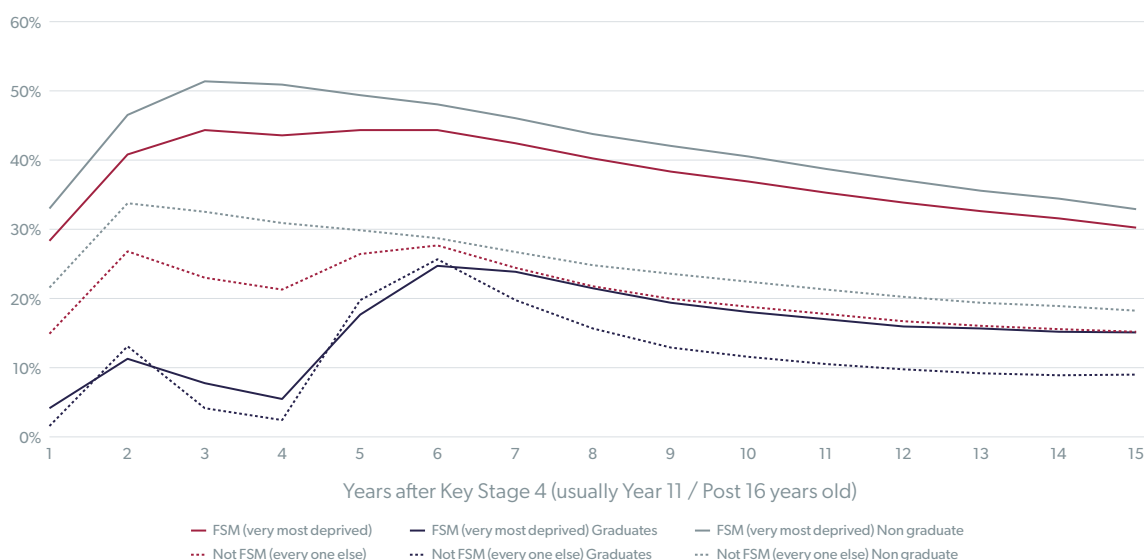


Source: CSJ Analysis of the Longitudinal Education Outcomes Dataset.

However, for the most disadvantaged who choose not to go to university, their average earnings remain the lowest of all the labour cohorts in Figure 13, after 15 years, earning £18,436 per year. Whilst university is currently offering a pathway to social mobility for the most disadvantaged school-leavers, their non-graduate peers from that cohort are struggling to make work pay.

This trend is repeated when analysing the Not in Employment, Education and Training (NEET) percentage of KS4 finishers by free school meal (FSM) status. For non-graduate KS4 finishers who claimed FSM, three years after graduating, over one in two were NEET. Whilst falling to 33 per cent after 15 years, this FSM cohort remain the most likely to be cut off from the workforce, as per Figure 14.

Figure 14: Labour Market Outcomes Data by Free School Meal Status: Post-16 Percentage Not in Employment, Education, and Training (NEET) for Cohorts who Completed KS4 in England, 2001/02 to 2006/07



Source: CSJ Analysis of the Longitudinal Education Outcomes Dataset.



University remains a key pathway to social mobility for this group, with FSM graduates broadly mirroring the trend of other graduates up to six years from finishing school. At this point, the two graduate groups begin to differ in trend, with the FSM graduates cohort more likely to be NEET than other graduates. However, FSM graduates are more likely to be in work than any non-graduates.

Similarly, to the Labour Market Outcomes by Upper and Lower (IDACI) quintiles, the most disadvantaged non-graduates are most likely to be out of work and cut off from education and training. Whilst some people will choose, reasonably, to look after children or care for family members instead of work, many of this category would like the opportunity to work or train but feel unable to move into work after often years outside of the labour force. In a focus group held in Plymouth, the Commission heard about accessing job opportunities for people who hadn't gone to university, and who had been out of work for a long period of time.

*"My friend worked in Topshop, and obviously that folded, and she hasn't got a job since...I guess online has just taken over now."*

**Focus Group Participant, Plymouth**

*"When I left school, I had a child very young and then couldn't work, didn't have the skill so I carried on in that role of cleaning etc. So, I think now, should I start looking at training to do something? But this would have to be funded because I couldn't afford to do a course. You also must think about, if you go and retrain, someone younger who have done that training, they will get picked, as the employer will get more time out of them."*

**Focus Group Participant, Plymouth**

This latter quote resonated with many in the group. They felt they had not been instilled with the aspiration needed to go out to work and better your situation. Childcare costs were presented as a major reason for why people chose not to go to work. Many people the Commission spoke to felt it was unfeasible to pay childcare costs under the current system if they moved into work.

*"I know people, who get far better rates and support from the government, compared to work, the cost of transport to get to work, makes it not worth it. The same goes for childcare, I want to work, but I've worked it out that I am not that much better off working than not. Although it is about your mental state...just sitting in the house will make me cocoon."*

**Focus Group Participant, Plymouth**

*"It's really hard for single parents. Working parents used to get thirty hours free childcare funding when a child turns three. You're penalised for trying to do the best you can...."*

**Focus Group Participant, Plymouth**

*“For me, it’s childcare. I’m working when he’s [child] not there, so I’m doing 10 hours a week, and what the government has come out and said with the new childcare, is great but I’m not going to be seeing anything, because he is going to be 7...I’d like to work 5 days a week. I would then have more of a chance of getting one of those jobs, because I can work 5 days a week. You feel stuck.”*

Single Father, Plymouth

## Industrial Strategy and Skills Provision

A lack of a coherent industrial strategy has made planning for skills development in regions particularly difficult. In 2019, the Industrial Strategy Council warned that the UK was in danger of a skills mismatch, with demand for skills higher than supply.<sup>147</sup> The lack of a joined up industrial strategy with education and skills providers means there can be no long-term plan for addressing the deficit in skills across the UK. Ultimately, a lack of industrial strategy and the right skills provision will stymie economic growth as well as the personal employment prospects of millions who would benefit from being trained with the skills that will help them move into well-paying work.

The national skills deficit is particularly concentrated in poorer parts of the country. Higher skill levels among London’s workforce explains about two thirds of the productivity gap between the capital and the rest of the country.<sup>148</sup> Britain faces a particularly persistent problem with low-level skills: one in five of the lowest skilled cities in Europe come from Britain.<sup>149</sup> Britain’s productivity problem is interrelated with its skills deficit. Investors choose cities like London due to its huge talent pool, the proximity of high-value industries, transport connections, and wealthy customers. It would be unrealistic and wrong to assume that all regions of the UK should become like London to prosper. However, London demonstrates the importance of supply-side investment such as training, education, transport links, and well-paying jobs. The UK’s regions are not at fault for lacking a strong supply-side. Instead, long-term policy has failed to balance the wider needs of the country against the economic powerhouse that is London and the South East of England. Since the market reforms of the 1980s, economic growth has been too reliant on London without balancing the wider needs and potential of all the UK’s constituent nations and regions.

A skills pipeline, combined with a rigorous industrial strategy that prioritises the growth of high-value sectors such as manufacturing, can begin to unlock the vast potential held across the UK. A long-term industrial strategy can highlight areas for investment whilst also allowing education providers to invest in the courses and qualifications that will equip their people to take hold of these economic opportunities. In assessing manufacturers priorities for an industrial strategy, Make UK found that 67 per cent of manufacturers want to see Government prioritise better support for skills training. Furthermore, Make UK highlight the challenge employers have in accessing the appropriate skills.<sup>150</sup> This in turn dampens investment, especially when overseas investors are looking for appropriate places to invest. When skills and training infrastructure are lacking, investment will relocate elsewhere.

147 Industrial Strategy Council, UK Skills Mismatch in 2030, October 2019, p. 3

148 Financial Times, Low Skills and Poor Infrastructure Blamed for UK Productivity Gap, 14 September 2017

149 CSJ, Playing the Ace, November 2022, p. 6

150 Make UK, Industrial Strategy: A Manufacturing Ambition, 2023

## Transport

Even where skill levels are satisfactory, a skilled population, ready to take hold of work opportunities, cannot be utilised without being connected via transport. Across the nation, the Commission has heard the impact that poor transport connectivity has on people's ability to take hold of economic opportunities, which can leave people trapped in worklessness and disadvantage.

Economic opportunities have become increasingly concentrated in major cities. An OECD report on the productivity of the UK's core cities (Belfast, Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham, and Sheffield) found that whilst productivity was low by international standards, and these cities and struggled to find an economic specialisation that compensated for the loss of traditional industry, there was potential for stronger growth that could drive forward increases in regional productivity.<sup>151</sup>

The Centre for Cities have estimated that the underperformance of UK cities relative to international comparators meant the UK economy was £48 billion smaller in 2018 than it otherwise would have been. They found that almost all big cities spread prosperity to their surrounding settlements. Using Seahouses and Morpeth as examples in the North East, the latter has high levels of commuting and good transport connections to Newcastle, however, the former, has poor connections. Morpeth has much higher incomes than Seahouses, demonstrating the importance of connectivity to economic centres.<sup>152</sup>

Transport infrastructure is critical for connecting people to economic opportunities in cities. Yet there are several barriers holding people back. Fewer people can get into city centres in the UK compared to other European countries, as well as the area covered by public transport networks being smaller in the UK.<sup>153</sup> The Commission was told repeatedly about the limits on opportunity that a lack of transport infrastructure causes.

*"We are stuck down here, with the transport links. If you wanted to go to London, the price of the train is ridiculous, you can't even look at it. I can't go visit my parents. To Cumbria it takes about 13 hours and is £400."*

**Focus Group Participant, Plymouth**

*"I go around on the bus a lot, and when I was 13/14, a day rider was £3 now it's £7, and when my friends went away to Cardiff, and they said buses was £1, so I don't know what is happening in England compared to Wales."*

**Focus Group Participant, Plymouth**

*"Relying on buses, makes it more difficult. They are doing a deal, £2 any journey here, this would help those that need work travel out of the area but this is stopping in June." (The Government have since extended this scheme).*

**Focus Group Participant, Jaywick**

151 OECD, Enhancing Productivity in UK Core Cities, 2020, p. 2

152 Centre for Cities, Does 'Trickle Out' Work?, September 2023

153 Rodrigues, G., Breach, A., Measuring Up: Comparing Public Transport in The UK And Europe's Biggest Cities, November 2021, p. 3

When asked what would help you get ahead in life, the Commission found that 23 per cent of the general public selected better public transport links in their area, the fourth most chosen option. 20 per cent of the most deprived said the same, ranking even higher than reducing the level of crime.<sup>154</sup>

Better transport is a priority for people and recognised as a factor that would make a significant difference in improving their lives. Investing in transport connections across the UK, to link up areas of economic growth such as regional cities, would mean that more people would be able to access the life changing benefits of good work.

## Low-Wage Immigration has Pushed Down Wages for the Poorest Workers

The effects of immigration are felt unevenly across different demographics, as well as across different generations, especially for the children of those who have chosen to make the UK their home. Too little attention has been given to the long-term economic and social outcomes for migrants and their families who make the UK their home. CSJ analysis has shown that certain groups who have migrated to the UK are at a greater risk of being trafficked, living in substandard accommodation, working in dangerous and unregulated work, and potentially at risk of falling into crime.<sup>155</sup> Furthermore, low wage immigration has thwarted pay growth for the lowest earners in the UK.<sup>156</sup>

As well as affecting pay differently for certain demographics, whilst immigration has increased GDP growth (in terms of economic output due to the increase in workers), the era of high immigration has coincided with an unprecedented period of low GDP growth per capita.

Despite challenges, immigration has contributed to UK economic growth over time and has helped to boost median wages (although, as above, the impact varies across the income spectrum and localities),<sup>157</sup> as well as contributing to the non-economic social and cultural fabric of the nation. Immigration will continue to be important for the UK, especially in reflecting the need of UK business to attract highly skilled workers to come and invest, create, and contribute to the UK.

Since the early 2000s, the makeup of immigration to the UK has changed significantly, with the vote to leave the EU in 2016 marking a new epoch in migration trends. Prior to 2016, EU citizens made up most of the immigration to the UK. By December 2022, EU migration was in the negative, with estimates suggesting that 51,000 more EU citizens migrated from the UK than came. An increase in non-EU immigration has spearheaded the increase in net immigration numbers to a record of 745,000.<sup>158</sup>

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154 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023.

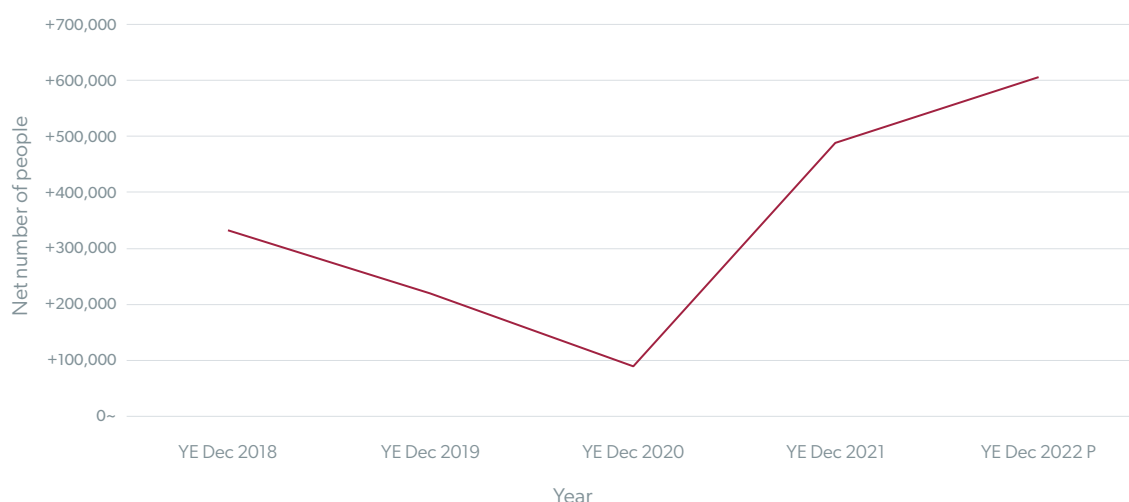
155 CSJ, *Prioritising Growth: The Future of Immigration Policy*, August 2019

156 *Ibid*, p. 18

157 *Ibid*, p. 29

158 ONS, *International Migration Research, Progress Update: November 2023*, 23 November 2023

Figure 15: Net Migration, 2018 to 2022



Source: ONS, CSJ Analysis of 'Long-Term International Immigration, Emigration, and Net Migration Flows, Provisional.'

Net-immigration has been growing steadily since the early 1990s, responding to an increasingly globalised UK economy. This led to the rise of an economic phenomenon, global labour arbitrage. This involves the utilisation of offshore production processes and the leveraging of immigration to reduce costs and maximise profit. Global labour arbitrage unfolds in two ways. First, as the world economy globalised, manufacturing moved to countries where businesses could take advantage of, and exploit, cheaper production processes. Second, within the UK, businesses could utilise open borders to import international labour who would be willing to work for lower wages than the local workforce.<sup>159</sup>

Corresponding with high levels of migration to the UK has been the rise of business models in UK sectors such as hospitality, food processing, and logistics or warehousing that are heavily reliant on low-wage international labour. Uncontrolled immigration has had a negative impact on workers below the 20th income percentile who have been made to compete for jobs in a global market without adequate protections. Academics Dustmann, Frattini, and Preston found in a study on the effects of immigration along the distribution of wages, that whilst immigration led to a slight wage increase in the upper part of the wage distribution, there was a pattern of wage suppression below the 20th percentile.<sup>160</sup>

In *Prioritising Growth: The Future of Immigration Policy*, the CSJ demonstrated that mass-immigration from low-income countries has reduced social mobility for the poorest workers and steepened the social gradient in labour market outcomes for workers already in the UK.<sup>161</sup>

For example, as shown in Figure 16, less than half of Kensington and Chelsea residents were born in the UK, while wage growth at the 20th percentile was the lowest in the country - 15.6 per cent - between 2002 and 2018. Even though many of the inhabitants in Kensington and Chelsea would have benefited financially and culturally from immigration, the lowest earners have seen a very small nominal wage growth over the time period.<sup>162</sup> A utilitarian framework fails to recognise the need for reciprocity and balance when it comes to designing immigration policy. Whilst many argue for higher levels of immigration as a net-benefit to the economy, this doesn't fully appreciate the experience of those at the lower end of the pay spectrum.

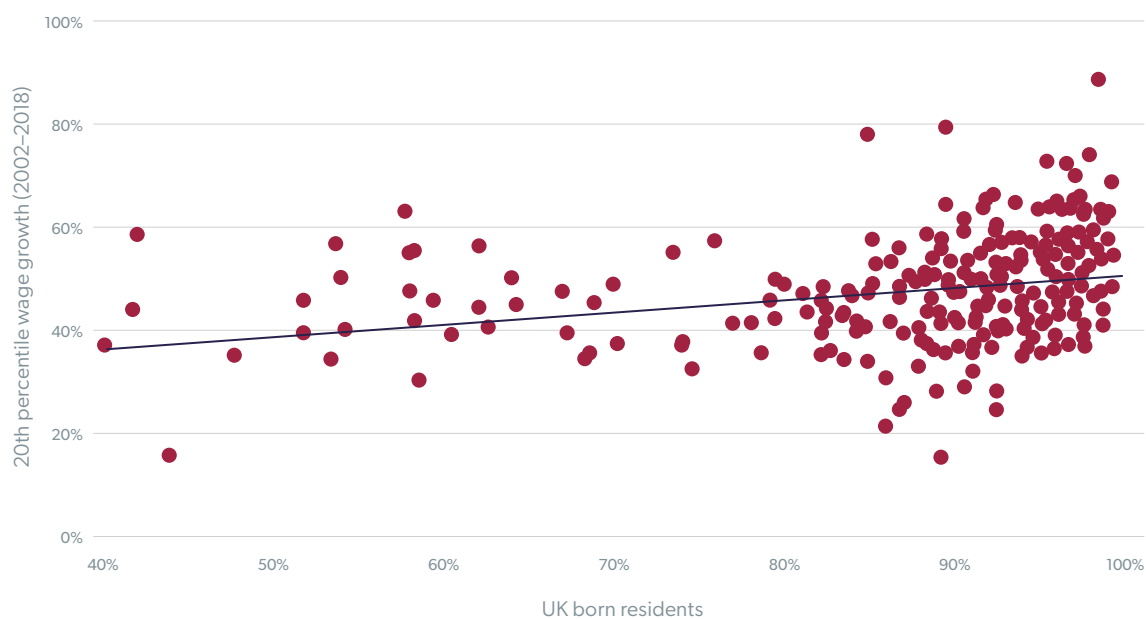
<sup>159</sup> Lind, M., *Hell to Pay*, 2023, p. 33

<sup>160</sup> Dustmann, C., Frattini, T., and Preston, IP, *The Effect of Immigration Along the Distribution of Wages*, 2013, p. 146

<sup>161</sup> Hoen et al., *Immigration and Social Mobility*, October 2018

<sup>162</sup> CSJ, *Prioritising Growth: The Future of Immigration Policy*, August 2019, p. 30

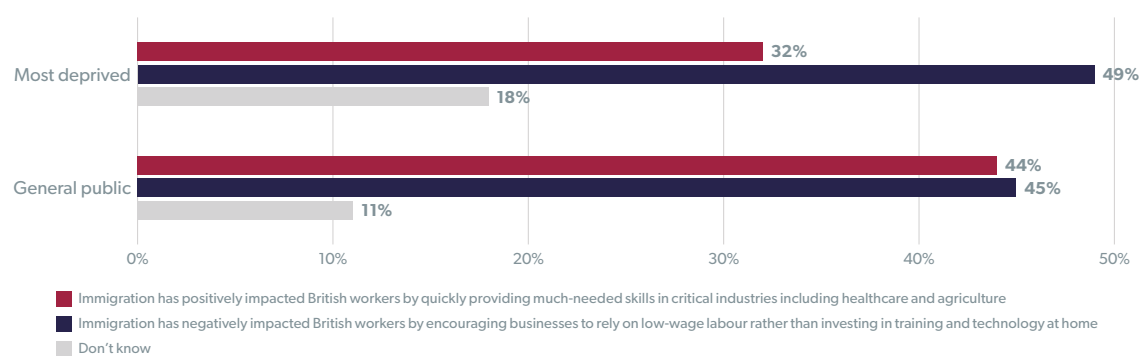
Figure 16: Immigration and Pay Growth at the Bottom 20 per cent, 2002 to 2018



Source: Centre for Social Justice, 'Prioritising Growth: The Future of Immigration Policy', CSJ Analysis of NOMIS Data

This is reflected in polling for the Commission. The general public are split down the middle on the benefits of immigration on the economy, with half saying that it is responsible for providing much needed helpful skills, and the other half saying it has suppressed wages by relying on imported labour. Both statements contain elements of truth, but the perception broadly mirrors the EU referendum split in 2016. The most deprived are especially likely to feel that immigration has negatively impacted British workers, with 49 per cent agreeing with that premise, and just 32 per cent disagreeing.<sup>163</sup> This is an issue which effects different demographics differently which has been reflected in the Commission's findings.

Figure 17: Attitudes to Immigration



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

163 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

The effect of wage suppression is felt by immigrant communities, as well as local workers. Social mobility is often limited for migrants and their families after they come to the UK. Many immigrants to the UK often work in hard, difficult jobs, that many British people choose not to do because of poor pay and conditions.<sup>164</sup> Migrants who come to the UK from poorer countries should have every opportunity to thrive and succeed. Instead, many migrants, including their naturalised descendants, have found themselves trapped in low pay over generations.<sup>165</sup>

Whilst there has been progress in reducing ethnic disparities in the labour market, there is still much to do to ensure equal economic opportunities for all British ethnic minorities. All ethnic minority groups have seen their employment rates increase over time, and ethnic minority unemployment was at a historic low prior to the COVID-19 pandemic. However, inequality persists. CSJ analysis in 2020 found that White British people have a higher median hourly pay, on average, than Pakistani, Bangladeshi, Black African, and Black Caribbean workers. All ethnic minority groups, apart from people of Indian ethnicity, earn less on average when compared to White British people. White Graduates also earn more than Black African, Black Caribbean, Bangladeshi and Pakistani graduates a decade after graduating. Much needs to be done to reduce disparities between ethnic groups.<sup>166</sup>

## Work and Place

Alongside good work, the proximity of work to family and community connections is important. The economic model has often been based on an expectation that the poorest workers will move to wherever economic opportunities are concentrated. The result has been that as people have moved to areas of economic growth, community, family and sense of place has been uprooted, and community undermined. It is no surprise that inner cities with transient populations are the least connected and loneliest places across the UK.<sup>167</sup> An economic model that alienates people and undermines human connection is not one that will help the UK to flourish.

An understanding of how the economy has too often uprooted the most disadvantaged is increasingly recognised by politicians across both major parties. The Shadow Chancellor, Rachael Reeves wrote in 2023 that too often economic policies have “devalued people and places and wasted so much human potential.”<sup>168</sup> The 2019 Conservatives manifesto stated that “we need to get away from the idea that ‘Whitehall knows best’ and that all growth must inevitably start in London”.<sup>169</sup> Central to both major political parties is a recognition that the economy of the future will be place-based and incorporate all regions of the UK.

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164 CSJ, *Prioritising Growth: The Future of Immigration Policy*, August 2019, p. 32

165 *Ibid.*, p. 34

166 *Ibid.*, p. 45

167 CSJ, *Pillars of Community*, June 2021, p. 7

168 Reeves, R., *A New Business Model for Britain*, Labour Together, p. 5

169 *The Conservative and Unionist Party, Conservative Party Manifesto 2019*, p. 26

## Barriers to Work

*“People are so far from the work force so (I) have to give them a ring to get them out of bed.”*

Netherton Community Centre, Big Listen North West

When the Centre for Social Justice was founded in 2004, those not in work were supported by the legacy benefits system, where claimants could receive up to 21 different working age benefits and could experience effective marginal tax rates of up to 90 per cent.<sup>170</sup>

In this context, the Centre for Social Justice identified that instead of supporting people into work, many on the legacy benefit system were on welfare. The seminal *Breakthrough Britain* outlined the possibility of a dynamic welfare system that could support people into work, gradually reducing the welfare award as hours in work increased. The aim was to reduce the cliff edges that had existed before and the reforms became known as Universal Credit.

The design of Universal Credit was driven by findings that being part of a working household is the best route out of poverty. If all members of a household are employed, the likelihood of falling into poverty is only 3 per cent.<sup>171</sup> Whilst work doesn't guarantee a life free of poverty, it is still the case that work is the best route out of poverty.<sup>172</sup> Today, 90 per cent of families where at least one adult is in work are not living in relative poverty.<sup>173</sup> Having a parent in work also decreases the likelihood of future generations living in poverty and being dependent on welfare.<sup>174</sup> A poor two-parent family where one parent is temporarily employed is around five times less likely to experience persistent poverty than a poor family where both parents are persistently out of work.<sup>175</sup>

One of the key reasons as to why the legacy benefits system became a poverty trap was due to high withdrawal rates. This meant that for people moving into work from the welfare system, they often faced effective marginal tax rates of more than 75 per cent as benefits were withdrawn. This meant that their increased income from working was less than 25 per cent more than when they were on benefits. The first steps into work offered little return.<sup>176</sup>

The CSJ argued for the introduction of a new system of welfare, Universal Credit. In its original design, Universal Credit reduced the rate at which benefits were withdrawn to 55 per cent post-tax earnings, meaning claimants kept more of their money as they entered work. The taper rate was brought back to 55 per cent in December 2021. Although the Government removed work allowances for most people in 2016, Universal Credit was designed to have an earnings disregard, allowing low earners to earn more, before any benefits were withdrawn. Universal Credit was designed to simplify benefits into two streams and reduce the penalties for couples, those with a mortgage and low-earning savers.<sup>177</sup>

170 CSJ, *Breakthrough Britain: Ending the Costs of Social Breakdown*, Volume 2: Economic Dependency and Worklessness, July 2007, p. 4

171 Department for Work and Pensions, *Universal Credit: Towards an Effective Poverty Reduction Strategy*, June 2014

172 Office for National Statistics (ONS), *Does Getting a Job Always Lead to People Leaving Poverty?*, July, 2015

173 House of Commons Library, *Poverty in the UK: Statistics*, April 2023

174 CSJ, *Breakthrough Britain: Ending the Costs of Social Breakdown*, Volume 2: Economic Dependency and Worklessness, July 2007, p. 6

175 HM Government, *An Evidence Review of The Drivers of Child Poverty for Families in Poverty Now and for Poor Children Growing Up to Be Poor Adults*, January 2014

176 CSJ, *Breakthrough Britain, Dynamic Benefits: Towards Welfare That Works*, September 2009, p. 18

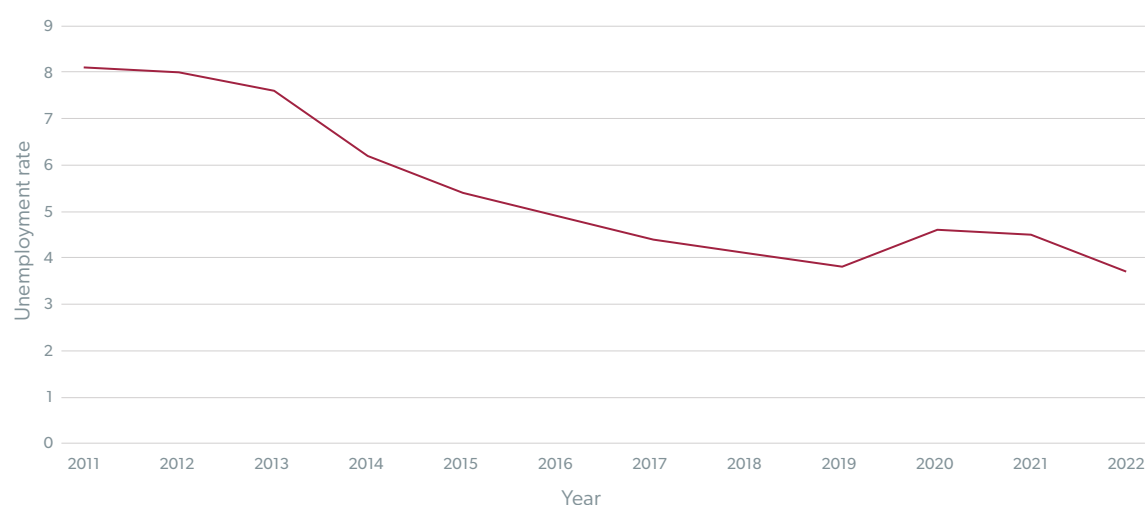
177 CSJ, *Breakthrough Britain, Dynamic Benefits: Towards Welfare That Works*, September 2009, p. 47



The introduction of Universal Credit in 2013 marked a significant shift in the focus of welfare policy, with an emphasis on the support, incentives and conditions given to claimants to get back in to work. A DWP review from 2015 found that Universal Credit was delivering better financial and work outcomes for claimants. 71 per cent of Universal Credit claimants were likely to have been employed in the first nine months of their claim, compared to 63 per cent for Jobseeker’s Allowance.<sup>178</sup> Corresponding with the introduction of Universal Credit in 2013, unemployment has fallen from a high point of 7.6 per cent in 2013 to 3.7 per cent in 2022, as per Figure 18.

Whilst Universal Credit is not solely responsible for the downward trend in unemployment, Universal Credit has streamlined the pathway into work and has been a significant contributing factor in the fall in unemployment over the last decade.

Figure 18: UK Unemployment Rate, 2011 to 2022



Source: ONS, CSJ analysis of ‘Unemployment rate (aged 16 and over, seasonally adjusted):%’

The simplification and digitalisation of the welfare system brought in through Universal Credit came into its own during the onset of the Covid-19 pandemic. Claims for Universal Credit increased six-fold in the first weeks after the lockdown was introduced. Between 16 March 2020 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>179</sup> In the four-week period ending on 9 April 2020 (covering the first stay-at-home order issued for the COVID-19 pandemic), 1.2 million people in Great Britain started a Universal Credit claim, approximately one million more than the usual volume of monthly claim starts.<sup>180</sup> 10,000 staff from the Department for Work and Pensions were redeployed to process claims,<sup>181</sup> which ensured that 93 per cent of new claimants during the onset of the COVID-19 pandemic received their first payment on time.<sup>182</sup> The flexibility built into the mechanism of Universal Credit meant the Government could respond swiftly to the needs presented by the COVID-19 pandemic, which included uprating benefits by £20 per week for 18 months from March 2020.

178 Department for Work and Pensions, Universal Credit at Work, December 2015, p. 8

179 Rt Hon Thérèse Coffey MP, Oral Statement to Parliament – DWP’s Response to Coronavirus, 4 May 2020

180 UK Parliament, Coronavirus: Universal Credit During the Crisis, January 2021

181 UK Parliament, Recognising the Contribution of DWP Staff, June 2020

182 UK Parliament, Conclusions and Recommendations: Universal Credit, June 2020

Universal Credit moved in rapidly as an effective safety net during the COVID-19 pandemic, but the health of the workforce has been slow to recover. In 2022 there were 1.2 million more working-age benefit claimants today than if pre-pandemic trends had continued, including 260,000 more claimants with No Work Requirements.<sup>183</sup> The total working-age benefit caseload rose by 27 per cent from November 2019 to February 2023. The cumulative increase since 2019 has since dropped to 16.6 per cent in May 2023.<sup>184</sup>

Despite the success in reducing unemployment, the public is seeing no substantive benefit to the exchequer as public spending on working-age benefits has risen by over £13 billion since 2019 in real terms,<sup>185</sup> despite unemployment being at a lower rate in Q1 of 2023 (3.9 per cent) than it was in the same quarter of 2020 (4 per cent).<sup>186</sup> Whilst unemployment is down, inactivity is up, adding significant costs to the taxpayer.

In the early 2000s, the Government could arguably afford the costs of a burgeoning welfare state with the economy growing. In 2023, economic growth is stagnant, and the Government is paying high levels of interest on its debt. It is not financially tenable for the state to have rapidly increasing costs whilst the economy stagnates. It is therefore paramount that the Government launch initiatives to reduce the demand for welfare by supporting people, who can, into work.

The CSJ was pleased to see the Government commit to rolling out Universal Support, the sister of Universal Credit, which will help long-term sick and disabled claimants who want and can work overcome the barriers that they face.<sup>187</sup> The Government has since announced a Chance to Work Guarantee, long championed by the CSJ, which is set to come online for incapacity benefit claimants in 2025, as part of a wider package of new welfare reforms. This will provide a crucial backstop for those entering work by ensuring claimants are able to return to their additional health-related benefits without a new assessment if a job doesn't work out.

It is within this context of rising welfare costs and economic inactivity that the Commission has sought to identify the barriers within the welfare system that continue to hold people back from work. These barriers are: health doesn't pay – being sick does; intergenerational unemployment; remaining cliff edges in the welfare system; the cost of moving into work; the impersonal nature of the welfare system; the safety of the shadow economy; and reoffending and worklessness in the criminal justice system.

## Health Doesn't Pay – Being Sick Does

The proportion of those who are economically inactive because of long-term sickness has continued to grow for the entirety of the post COVID-19 pandemic period, despite remaining relatively stable during the lockdown years. By Q1 2023, the number of people economically inactive because of long-term sickness had risen to over 2.5 million, an increase of over 400,000 since the COVID-19 pandemic.<sup>188</sup> 53 per cent of those inactive because of long-term sickness reported they had depression, 'bad nerves' or anxiety. One million reported mental health problems as a secondary health condition rather than their main one.<sup>189</sup>

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183 CSJ, *Feeling the Benefit: How Universal Support Can Help Get Britain Working*, October 2022, p. 2

184 CSJ analysis of DWP Benefit Combinations Data via Stat-Xplore

185 CSJ, *Feeling the Benefit: how Universal Support can help get Britain working*, October 2022, p. 2

186 ONS, *Unemployment Rate (Aged 16 And Over, Seasonally Adjusted)*, September 2023

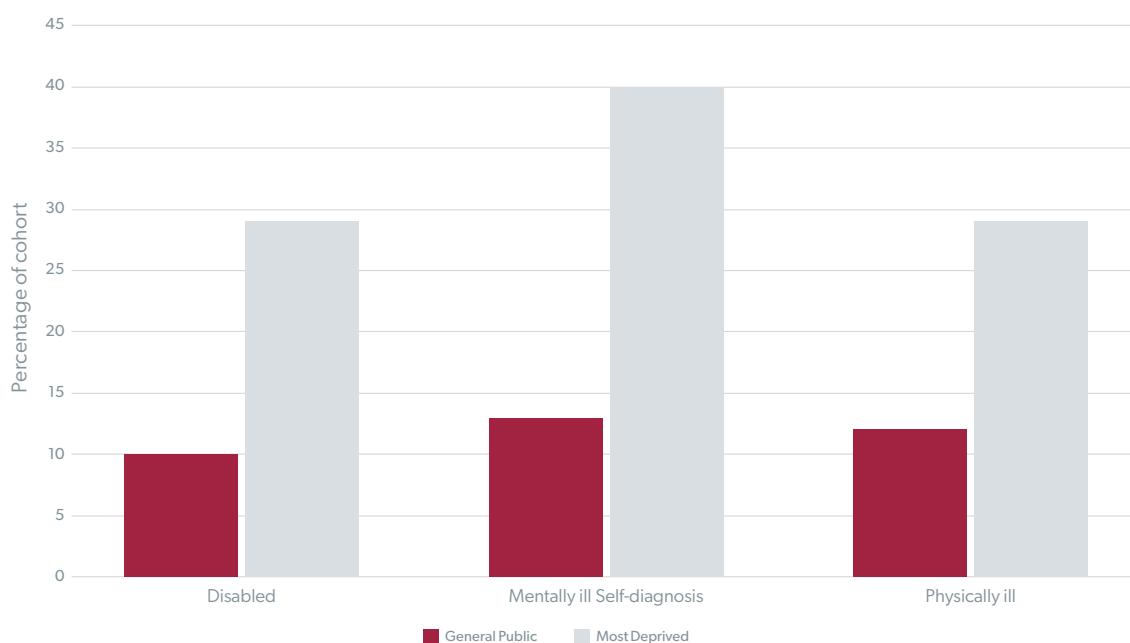
187 CSJ, *Over 700,000 On Sickness Benefits Want To Work*, Centre For Social Justice analysis Reveals, May 2023

188 ONS, *Rising Ill-Health and Economic Inactivity Because Of Long-Term Sickness, UK: 2019 To 2023*, 26 July 2023

189 *Ibid*

The Commission has found that the most deprived report worse health outcomes than the general public. As shown in Figure 19, 29 per cent of the most deprived define as disabled, compared to 10 per cent of the general public. 29 per cent say they have a physical illness compared to 12 per cent for the general public.

Figure 19: What health and disability conditions apply to you?

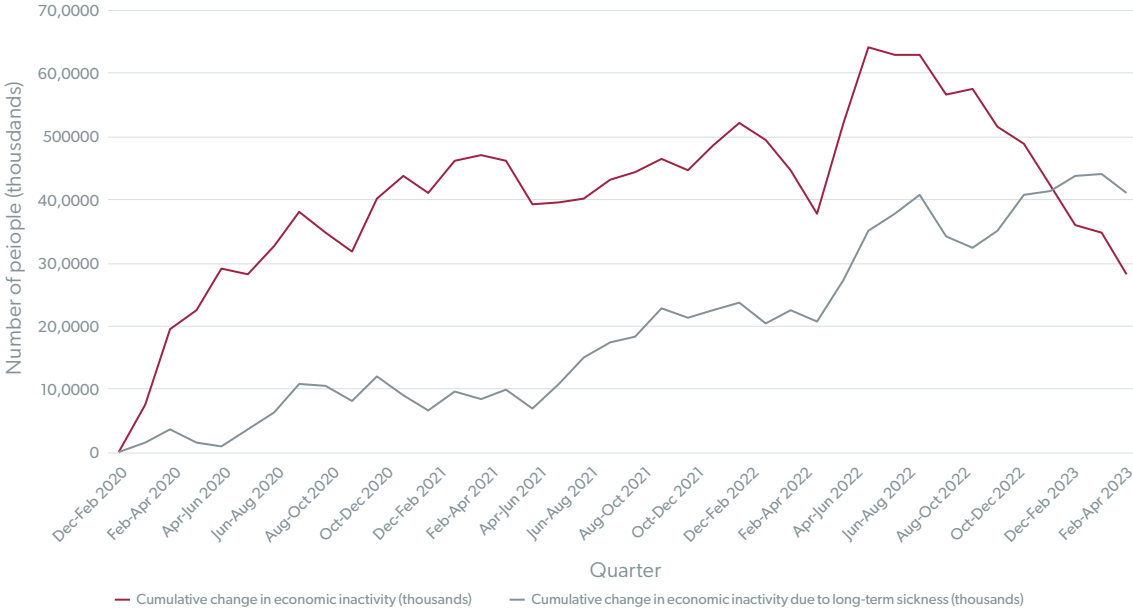


Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

Since the COVID-19 pandemic, mental health conditions have surged, especially amongst the most deprived. This has been one major contributing factor to the rise in economically inactive, long-term sick cohort. The rise in mental health disorders has affected the UK's most deprived communities the most severely. As per Figure 19, 40 per cent define as having a mental health condition compared to 13 per cent for the general public.

As time passes since the COVID-19 pandemic, the number of people economically inactive is beginning to fall. However, the change in the number of people who are long-term sick has continued to rise, even as the cumulative change in total economic inactivity has been on the decline since July – September 2022. Long term sickness has become an entrenched issue within the UK workforce and is continuing to get worse.

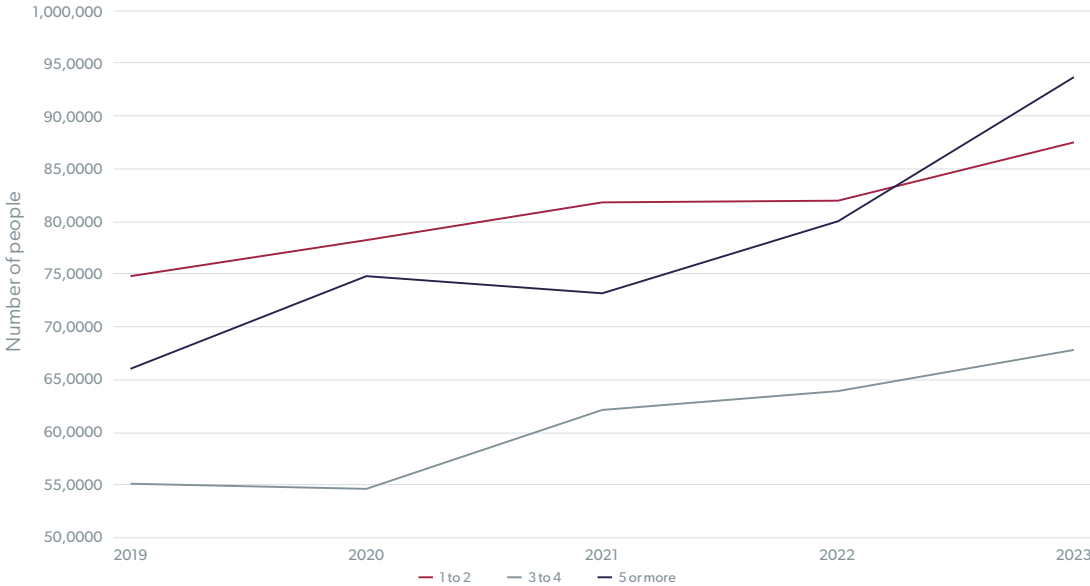
Figure 20: Cumulative Change in Economic Inactivity and Cumulative Change in Economic Inactivity Because of Long-Term Sickness, 2020 to 2023



Source: ONS, CSJ analysis of 'Rising ill health and economic inactivity because of long-term sickness, UK, 2019 to 2023.'

There is also evidence that the nature of people’s sickness has become more complex and intertwined since the COVID-19 pandemic. Figure 21 demonstrates the number of people, who are economically inactive due to long-term sickness, reporting one or more health conditions.

Figure 21: Number of Reported Health Conditions of Those Who are Economically Inactive due to Long-Term Sickness, 2019 to 2023

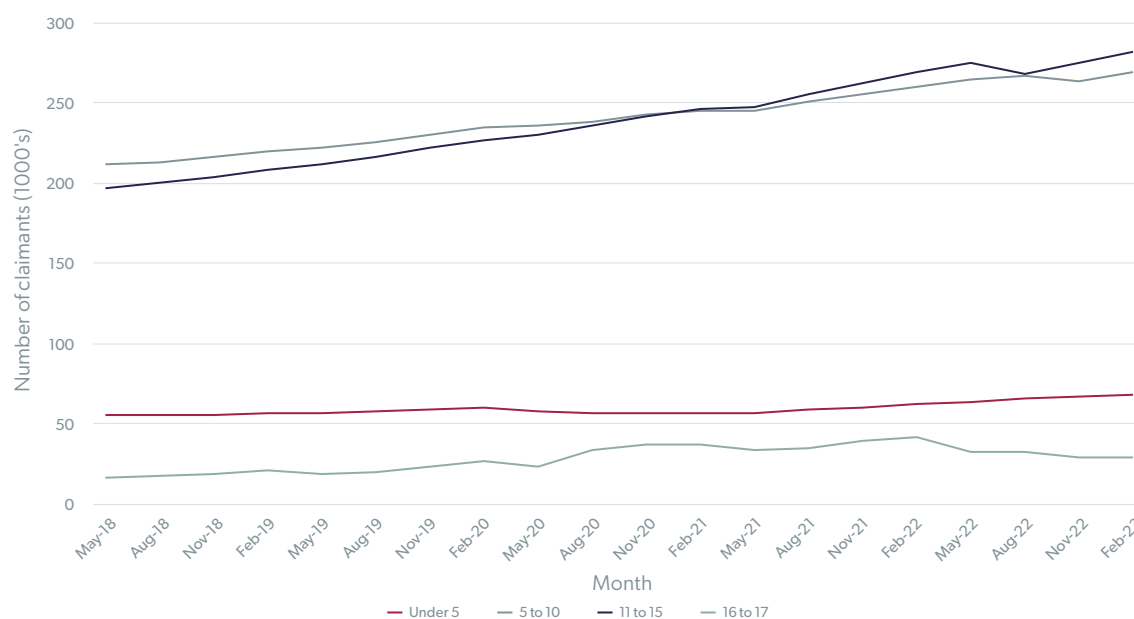


Source: ONS, CSJ analysis of 'Rising ill health and economic inactivity because of long-term sickness, UK, 2019 to 2023.'

Nearly two in ten people who are economically inactive would like to have the opportunity to work. The CSJ has also previously estimated that 700,000 people on sickness benefits want the opportunity to work if they had the right support.<sup>190</sup>

The rise in health and disability related benefit claims has not been just for the adult cohort. The number of children entitled to disability living allowance (DLA) has also increased since before the COVID-19 pandemic. As per Figure 22, the number of children aged zero to seventeen with a DLA entitlement has been on the rise in all age groups, especially ages 11 to 15 which has risen to become the largest child claimant category, increasing by 43 per cent from 2018 to 2023.

Figure 22: Disability Living Allowance for Children (cases with entitlement), 2018 to 2023



Source: CSJ analysis of Department for Work and Pensions data, via StatExplore. This figure has risen throughout the year and as of November 2023, is currently at 2.6 million<sup>191</sup>

Having a child eligible for health and/or disability benefits significantly increases household income. The Commission was told by frontline charities that a minority of struggling parents are leaning into health diagnoses for their children as a way of increasing welfare awards.

The introduction of the two-child limit to child tax credit and Universal Credit has meant that previous avenues to unlock further welfare support through having more children are no longer open. However, some individuals reported that instead of looking to work to unlock additional income, many parents are looking to mechanisms in the welfare system to increase their income.

For example, the Commission’s analysis has shown that a single unemployed parent in Jesmond, Newcastle, with two children would be entitled to approximately £20,142.60 a year in all benefits. If the parent has one child with a severe disablement in the lower category (which would include conditions such as ADHD and anxiety) and claims disabled child element of Universal Credit and DLA, they will become eligible for approximately £27,024.12 a year in welfare awards. If the parent has a mental health condition like anxiety, this figure could rise to £33,103.68 a year.<sup>192</sup>

190 CSJ, Over 700,000 On Sickness Benefits Want To Work, Centre For Social Justice analysis Reveals, May 2023

191 Rt Hon. Mel Stride MP, Labour Market Update UINHCVS43, 16 November 2023. Accessed: [questions-statements.parliament.uk/written-statements/detail/2023-11-16/hcws43#:~:text=The%20number%20of%20people%20economically,grow%20over%20the%20coming%20years](https://questions-statements.parliament.uk/written-statements/detail/2023-11-16/hcws43#:~:text=The%20number%20of%20people%20economically,grow%20over%20the%20coming%20years)

192 CSJ analysis of DWP Entitlement Data and Local Authority Entitlements

*"If you're child does have ADHD, severe anxiety, or autism, or something where they can get additional DLA, financially that's helpful for the family."*

*Anonymous Charity Leader, North East.*

It is undoubtedly right that the welfare system supports those with health conditions and disabilities, including providing support to families whose children have a diagnosis. However, due to complex barriers to work in the economy and within the welfare system, the Commission has been told that some people are choosing to obtain diagnoses to increase their welfare award. Anecdotally, the Commission was told that some people choose to earn through the welfare system, rather than utilise it as a springboard for better opportunities.

The below example demonstrates how the perception this takes place can propagate division and mistrust within communities.

*"That's what frustrates a lot of people. You've got people here that we know that genuinely need help but can't access it. And then you've got the other end of the spectrum which is: it's so easy to abuse the system. One woman was saying that she needed help with sorting out a bill for her gas and electricity. She spent £600 a week on cigarettes and alcohol had two disabled children, so she was claiming money for them. And I think in total about £3,500 month she was getting because she had applied for every single additional benefit she could, and the bill was £300 for her gas and electric. And I was like okay, well, I can't really help you here because there's a clear place that you can make cuts. The system is so easy to abuse. We get a lot of parents that will come to us and say that they're going through assessment for their children for things like ADHD because they know if they get diagnosed, they get additional money. And actually, I would say 80 percent of them probably just need routines and boundaries. Its parenting - but they know if they get that diagnosis, it's like a golden ticket to them and they can get the additional money without actually having to do anything extra for it.*

*Anonymous Charity Leader, North East*

*"You see a lot of abuses of the system, a guy came in pretending to have a limp."*

*Service User, Moses Project Stockton-on-Tees*

*"People are ripping PIP off something chronic I mean; people are getting paid and working full time. I mean, it's a free for all. To be honest with you, if I was getting three grand a month with two kids going to school, why would I rush around and go to work as well, to earn less than PIP is giving me. It is too soft, you know, and it sounds harsh to some people, but it is one of the barriers [to work] that we hear, [and] I'm on PIP."*

*Anonymous, North East*

Anecdotally the Commission was told by many employees who worked for charitable enterprises that they were frequently supporting families as service users, who had a higher monthly ‘income’ than the workers did, due to the health-related benefits they were receiving.

*“I used to work in drugs and alcohol treatment and probably half of my clients were probably getting 2000 pounds a month [on benefits]. I was working full time 40 hours a week and I was getting 1500 a month and working my backside off. And they’re sat there going, I’m skint. What? How can you be skint. But it’s the system.”*

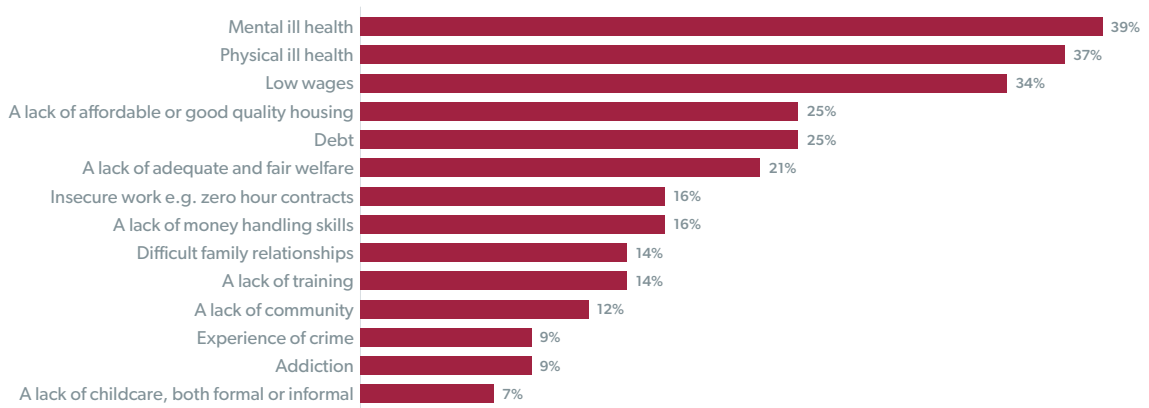
– Charity Volunteer, Middlesbrough

## Mental Ill Health as a Barrier to Work

For many, mental health is viewed as something which prevents them from entering the workforce and from progressing within it. Poor working conditions can be the cause of mental ill health, and mental ill health can also prevent people from being able to work.<sup>193</sup> Research also shows that unemployment causes stress and this can have long-term physiological effects which can prevent people working and this has been exacerbated by the COVID-19 pandemic.<sup>194</sup>

The Commission’s polling supports this view. When the most deprived were asked what they felt the biggest factor holding them back from living the life they want to live was, ‘mental ill health’ was chosen as the most important factor, followed by ‘physical ill health’ and ‘low wages’, as demonstrated in Figure 23.

Figure 23: What is the Biggest Factor Holding the Most Deprived Back



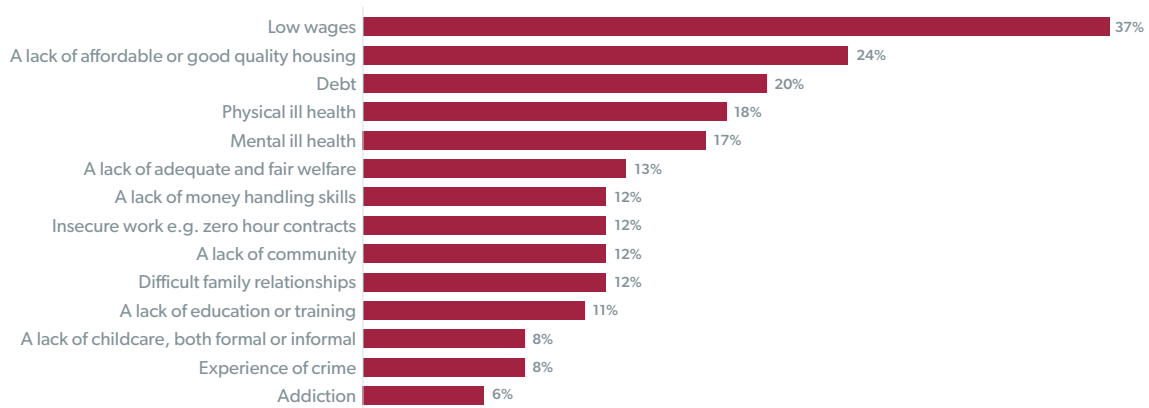
Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

This is in contrast to the Commission’s findings when asking the general public what the biggest factor holding them back from living the life they want to live was. They felt ‘low wages’ was the biggest factor holding them back, followed by ‘a lack of affordable or good quality housing’ and ‘debt’. ‘Mental ill health’ was ranked fifth, as depicted in Figure 24.

193 World Health Organization, Mental Health at Work, September 2022

194 The Health Foundation, Unemployment and Mental Health: Why Both Require Action for Our COVID-19 recovery, April 2021

Figure 24: What is the Biggest Factor Holding The General Public Back?



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

The most deprived feel mental ill health is the biggest factor holding them back from the life they want to live, compared to it being ranked fifth by the general public. When asked which aspects of life would help them get ahead in life if it were improved, the most deprived overwhelming chose welfare and physical and mental healthcare, as illustrated in Figure 25.

Figure 25: What Would Help the Most Deprived Get Ahead in Life if it Were Improved, Rating of Each Factor



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023



## Case Study – Key Community

For over 30 years, Key Community has served the local community at South Shields. Known for its provision of supported accommodation for young people at risk of homelessness, Key also provides a range of support services to the local community and has helped people of all ages to overcome difficult barriers to work.

This is Jeremy's story.

The Commission spoke to Jeremy in November 2023, nearly two years after being supported into his first ever paid job at Greggs through the companies Fresh Start initiative. Jeremy spoke powerfully about overcoming mental health problems and finding work.

Jeremy was born in 1988 in Mansfield. He was under three when he was first taken into care. Moved repeatedly across the country, he never had a settled childhood or school experience.

*Jeremy - "I lived all over, the earliest place I can remember is Peterlee, then London, then to Northampton and to Essex. Newton Aycliffe, Bishop Auckland and then Spennymoor. Then from Spennymoor to Chester-Le-Street and then to South Shields...My younger education was a bit disrupted, the one proper school I went to was Honeywell in London, I think. They kept starting me on secondary schools. I started in Essex and then got moved up north, so I ended up losing most of my work. And then they moved me again. At that point you end up like no thanks. I just thought I'd stop trying when it came to the work."*

Jeremy had never had a paid job. He claimed Jobseekers Allowance before moving onto Universal Credit and the limited capability for work group due to challenges with his mental health.

*Jeremy – "I started taking talking therapies at my local GP. Because of that they changed my benefits over to Employment Support Allowance. So, I was worried that if I put myself up for work that would mess it up...I just wanted to shut myself away from the world, to stay home and never go out, I had such terrible anxiety. To be in a room with more than one or two people would be unbearable."*

Jeremy began to use the foodbank service run by Key Community and later started to volunteer with the charity. Volunteering helped to build his confidence and it began to ameliorate some of the difficulties he faced with his mental health.

*Jeremy – "I realised I needed to start doing something or I was going to be stuck like this forever. So that's when I started as a volunteer. I started to actually engage with the Job Centre and send out applications but most of the time got nothing back because I hadn't had a job before...I kept sending applications out for years...It (volunteering) made me more comfortable with people. In my early 20s I would barely talk to anyone at all, just opening up. Volunteering, coming in a couple of times a week, it helped me to actually communicate with people instead of just shutting away and reading books or playing games."*

A leader at Key Community saw how Jason had grown and developed over the years and asked if he'd be interested in applying for a job at Greggs under the Fresh Start initiative. The ongoing personal support Jeremy received at Key gave him a secure foundation to try work.

Charity Leader – *“There’s a WhatsApp group that we have, and I remember at the time, the other volunteers would ask you every day how you are getting on, do you need a lift? When you haven’t got family, I guess that’s what the volunteers are.”*

Jeremy – *“At times I didn’t even believe in myself, and then finding out there’s all these other people that believe in me.”*

Jeremy says that work has transformed his life. It gives him a feeling of pride and purpose. The support he received from Key Community and the opportunity to volunteer paved the way for him to step into paid employment.

Jeremy - *“I find it a lot easier to talk, with all the people coming in the shop. Obviously, money is a big one, I was able to save up and buy something like a PlayStation 5. I’m saving up, my brother and I are thinking of getting a passport and going to France.”*

Charity Leader – *“It’s surreal, like knowing where you’ve come from, and now you’re saving up to go and spend some time in France. It blows my mind.”*

Jeremy – *“Well living on benefits isn’t the greatest thing, you do feel like you’re living on handouts, essentially. And so that’s the one thing that’s helped me be a bit more confident since I worked in Greggs. But when I do buy something like the PS5 I know that I’ve earned it and worked many shifts for it. Before I could rarely afford anything, and it was paid for by (others) taxes and Government and so on. It’s definitely a lot better on the other side.”*

## Intergenerational Unemployment

The Social Justice Commission heard from charities that work with the third, or even fourth, generation of people who are economically inactive or unemployed. The existence of intergenerational worklessness has been contested,<sup>195</sup> and explained by some as statistically insignificant, however the Commission heard from several charities across the country that it remained an issue in their communities.

*“We have 3rd - 4th generation worklessness here.”*

**Charity Leader, Llanhilleth Miners Institute, Welsh Valleys**

*“Rotherham is a town built on industry, a strong steel industry, and then when those industries have gone, you’ve got multiple generations of families that have worked in those industries that now suddenly don’t know what else is out there...you’re fighting against a tide of multi generations of benefit claimants.”*

**Charity Leader, Rush House, Rotherham**

195 Joseph Roundtree Foundation, Are ‘Cultures Of Worklessness’ Passed Down The Generations?, December 2012

The current state of intergenerational unemployment is best understood as describing multiple generations who only have experience of insecure or temporary work, usually in the gig or seasonal economy, interspersed with long periods of unemployment, rather than families where three generations have never had paid work at all. Some families may have worked only for cash in hand payments which mean they were technically classed as workless. This is supported by analysis which found an independent effect of parental worklessness on the likelihood of a young person becoming NEET, spending longer time being NEET and achieving lower point scores at GCSE,<sup>196</sup> all factors that impact a young person's employment prospects. Parental worklessness during the early years increases the likelihood that a child will develop long-standing illness in early adulthood.<sup>197</sup>

Multiple generations of those in insecure work are driven by two overlapping factors; cultural attitudes towards work, and the nature of the work available and its remuneration compared to welfare.

## Attitudes to Work

Just as children follow the social template set by their parents in many areas of life, so attitudes to work can be passed down through generations (although it is important to note that while a parent's experience of work may impact their children's work outcomes, it is in no way predictive).

Throughout the course of this research, a clear theme emerging from community charities who work with intergenerationally workless households was low aspiration. They told the Commission that attitudes to school can form attitudes to work, including if parents did not get up regularly for work which could impact school attendance. The Commission also learnt that children looked to their parents' lifestyles and calculated that if their parents had not worked, and still got by, then the value of work was undermined. Children observing their parents who worked hard but still struggled to make ends meet also wondered whether working was worth it if a similar lifestyle could be maintained through welfare. Individuals who did seek work often reported being belittled by relatives for getting above their station, or showing up other family members who did not or could not work. The Commission learnt that it was common in certain communities to have the attitude of wanting to replicate parent's behaviours such as, "If it was good enough for me and my parents, it is good enough for you". "My mum doesn't work – why should I?", was a common refrain heard by the CEO of a community-based charity that works with those who are unemployed in North Yorkshire, The Hinge Centre, Bridlington. Another charity in South Yorkshire, Link Community Hub, told the Commission: "They see their mom and dad on benefits and even their grandma and granddad on benefits and it's just a way of life. There's no kinda 'look you can do this' or 'you can go out and you can earn this, and you can have this career'." [sic]

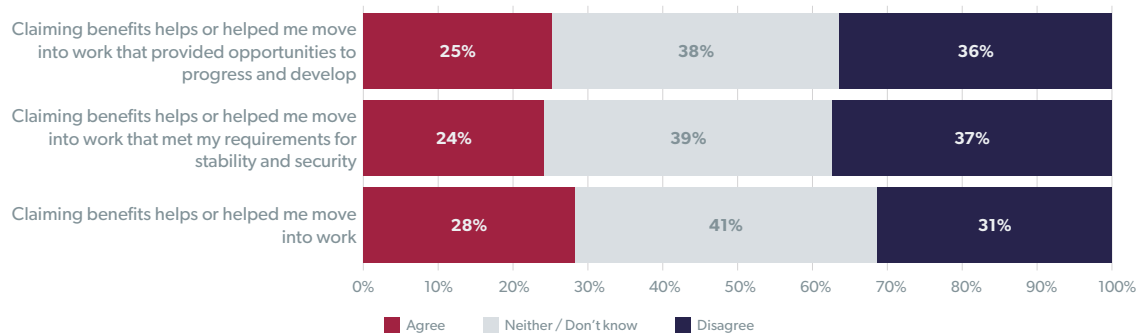
Unless the welfare system is successful in moving people into work, it will struggle to break this intergenerational cycle of unemployment. The Commission's polling found that the most deprived are more likely to disagree than agree that receiving welfare helps them move into work, as illustrated in Figure 26.

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<sup>196</sup> Department for Education, Intergenerational Transmission of Worklessness: Evidence from the Millennium Cohort and the Longitudinal Study of Young People in England, September 2012

<sup>197</sup> Imperial College Business School, How Parental Unemployment Impacts Children's Health in the Long Run, 15 May 2023

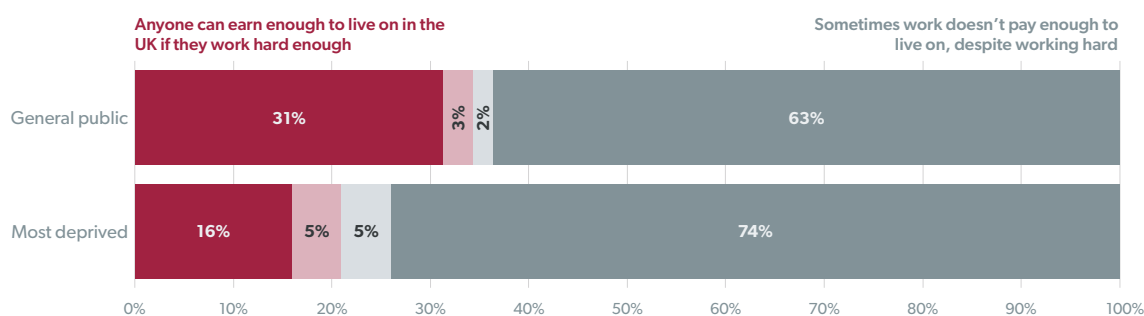
Figure 26: The Experience of Benefits Amongst the Most Deprived



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

However, both the general public and the most deprived lack optimism when asked if work pays with hard work. Just three in ten of the general public agree that anyone can earn enough to live on if they work hard, this fell to under two in ten for the most deprived.<sup>198</sup> The overwhelming majority of the general public and most deprived agree that sometimes work doesn't pay enough to live on, even with hard work.<sup>199</sup>

Figure 27: Whether Work Pays Enough to Live On



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

Whilst attitudes to work, wages and benefits are generally perceived negatively by both groups, those who are receiving some form of welfare have more optimism that claiming benefits helps them or has helped them into work. People currently claiming Universal Credit were more positive about benefits helping them move into work than the general population, as per Figure 28.

Women the Commission heard from felt particularly limited in the options available to them. Female service users of many charities did not expect to secure work that wasn't cleaning and serving tea. Family Gateway, an organisation supporting families across North Tyneside, told the Commission that women frequently saw the pattern for their own lives as clearly defined: "We have babies and we clean houses for rich people." This was corroborated by another organisation supporting women in the North East who explained that many of the female service users supported by the charity may choose the known (such as having another baby and prolonging the time they could be on welfare

<sup>198</sup> Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

<sup>199</sup> Ibid

with no work requirements) than moving into the unknown of work. The highest demographic of Universal Credit claimants are women between 30-39.<sup>200</sup> The most common conditionality regime for these claimants are; 'working with requirements', 'working no requirements', 'planning for work' and 'preparing for work'. It is likely that many of this cohort have children.

The Commission was told by charities in North Tyneside that women who did work were overwhelmingly employed in the service or hospitality industry where there was little scope for progression or career development. Nationally, 81 per cent of the adult social care workforce are female, a sector that typically offer little opportunities for career progression or development.<sup>201</sup>

In some cases, the experience of having a parent out of work has been the impetus for change. A focus group member was aware of these patterns and was very keen to change it for his sons:

*"My dad didn't work, my grandad didn't work...There is my wife, if she didn't work, we would be on the same money. She would be on that Universal Credit that would cover her wage." [sic]*

**Service User, Family Gateway, Newcastle**

The Commission heard repeatedly of connection between aspiration and pride among those in insecure work or unemployed. An organisation supporting young people and their families commented that personal pride would mean a person would claim benefits under a health diagnosis as it was easier for people to explain their lack of work by naming a physical health symptom rather than admitting they had applied for lots of jobs without success.

Charity leaders we spoke to were fairly despondent about the chances of changing aspirations amongst those who had already established patterns of not working but were more optimistic about the potential of changing things for young people. They felt it was important to start raising aspirations from an early age, even primary school. They warned that leaving it to mid or late teens would risk young people already having mentally checked out of education, who already are disconnecting school from employment.

This short extract from a conversation with a parent encapsulates this attitude.

**CSJ Staff:** *"What are your hopes for your children?"*

**Parent, Key Community, South Shields:** *"I want them to be happy. They can do anything they want, any job they want, as long as they're happy."*

**CSJ Staff:** *"How much luck do you think they'll have of getting a job?"*

**Parent, Key Community, South Shields:** *"Them the kids? None! Because they've had no education."*

200 CSJ analysis of DWP Gender and Age (bands and single year) by Month and Conditionality Regime data

201 Skills for Care, The State of the Adult Social Care Sector and Workforce in England, October 2023

A frustration at the lack of aspiration among young people was reiterated to the Commission in other parts of the country. In Jaywick, the perception of one focus group participant who was middle aged was that the younger generation were lazy. They also suggested there was a link between intergenerational worklessness and the importance of the value of work being engrained at a young age.

*"With the younger lot, a lot of them are lazy...The younger people should want to better themselves really. If their parents don't work, then it just goes down doesn't it."*

**Focus Group Participant, Jaywick**

*"If you want to work, there is work. If you want to you will find it. It's just putting yourself out there, some people don't want to do it."*

**Focus Group Participant, Jaywick**

*"There's plenty of opportunities out there for those that aren't academically minded. You've just got to be willing to look to them and you can be extremely successful."*

**Charity Leader, Rush House, Rotherham**

Despite the barriers to good quality work that exist across the country, there are opportunities to take hold of that provide a material benefit and improved quality of life. Unlocking the aspiration of young people not in education or training will be a critical factor in improving the employment, health and social outcomes for the next generation.

## Cliff Edges in the Design of the Welfare System Remain

*"When they get paid work, their housing benefit drops. So, then their contribution towards their rent increases. And if they're going in for an apprenticeship which we actively encourage, you know, financially, it doesn't always stack up for a young person in their mind. Why am I going to my apprenticeship for that number of hours when that person in the next room isn't doing anything?"*

**Charity Leader, Rush House Rotherham**

Despite Universal Credit reducing the impact of withdrawal rates on benefit claimants, cliff edges continue to exist within the system which become a barrier to work. Repeatedly, the Commission was told that when working only offered marginal financial benefits, it became a rational decision to choose not to work.

One of the main concerns that Commission respondents had about moving into work was the perceived loss of other financial entitlements that they were eligible for because of their claim, such as support with council tax reduction and warm home discounts. In the Commission's focus group held in Jaywick, this was the key cause of concern about moving into full-time or part-time work who said, *"What is the point in going out to work if you're going to be worse off."* Another said: *"Because if you get a job, they also stop the rent [support] as well. That's why people don't bother go looking for work, if you lose your rent [support] as well as benefits, then you end up getting more on welfare. They pay your rent and council tax."*

Even if these perceptions do not completely reflect the accuracy of the situation, the perception that moving into work could jeopardise support has a powerful preventative impact.

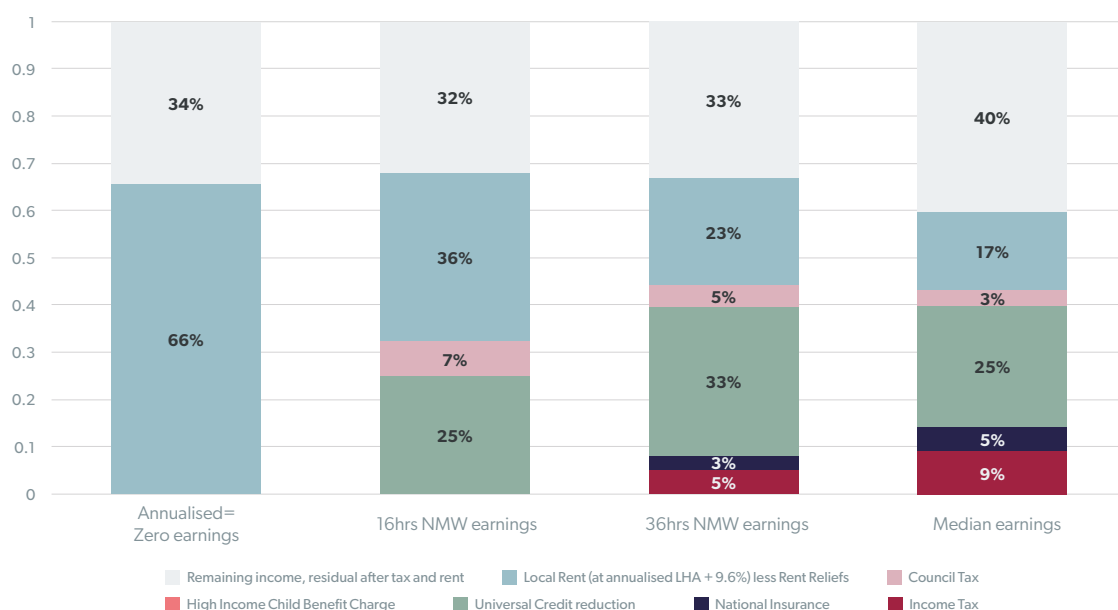
## The Cost of Moving Into Work

Analysis for the Commission has found that many people moving into work will only see marginal financial benefit relative to their costs after the deduction of welfare, transport costs, childcare and the loss of other entitlements such as council tax support. Despite Universal Credit ensuring families always see the benefit of employment in their pay packets, for some, the incentives to work remain marginal. Indeed, some households will keep a greater percentage of their total income whilst not in work and on benefits, than if they took a minimum wage part time job.

To exemplify this the Commission has conducted case studies for a number of different household scenarios in Sutton Coldfield to demonstrate the impact of costs and deductions on a person's take home income after stepping into work. When someone claiming welfare moves into work, they may lose entitlement to council tax support and so they may see their earned income reduced by the Universal Credit taper rate and become liable for a higher proportion of their housing costs.

A single earner in Sutton Coldfield, keeps 32 per cent of their income (after costs including tax and housing) when they start part-time work on the minimum wage. While the same person on benefits they would have kept 34 per cent (also after costs including housing). This is shown in Figure 29.

Figure 29: Case Study of Earnings: Sutton Coldfield, West Midlands Single person/ earner, No children, Privately rented 1 bed property at local rent

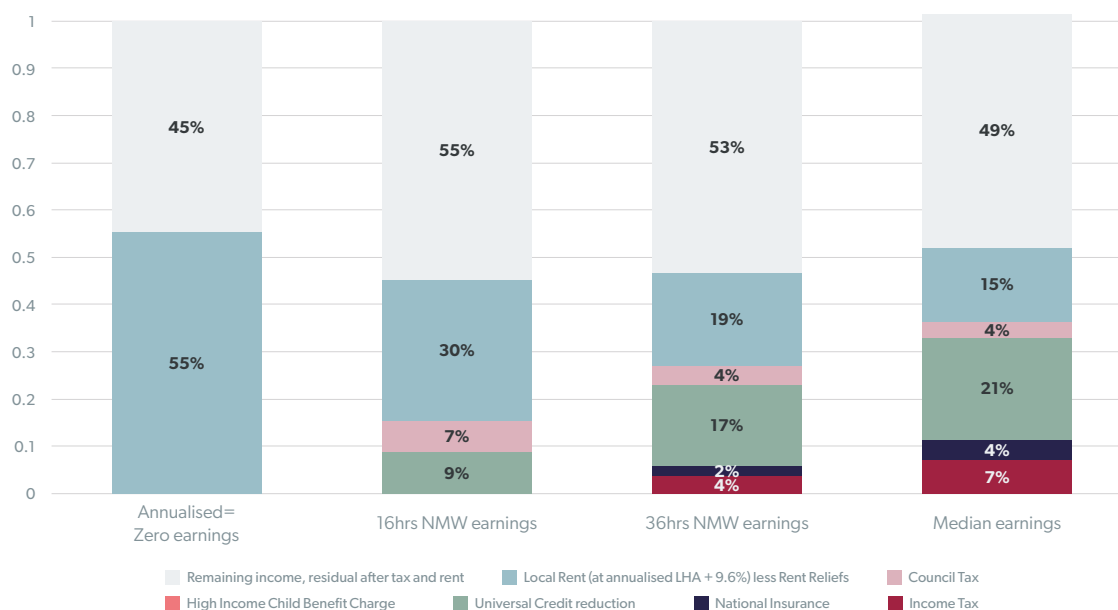


Source: CSJ analysis of ONS, DWP and Local Authority Data

Notes: Housing costs are calculated using annualised LHA + a 9.6% increase due to the shortfall in LHA to cover rents identified in House of Commons Library, The rent safety net: changes since 2010, 17 August 2021.

For single parents, the system works more favourably. On benefits, they are taking home in their pockets 45 per cent of their welfare award after housing costs. After starting a part time job, they then take home 55 per cent of their income, as per Figure 30. There is a clear incentive for this household type to enter the labour force.

Figure 30: Case Study of Earnings: Sutton Coldfield, West Midlands Single Person/ Earner, 1 child, Privately Rented 2 Bed Property at Local Rent



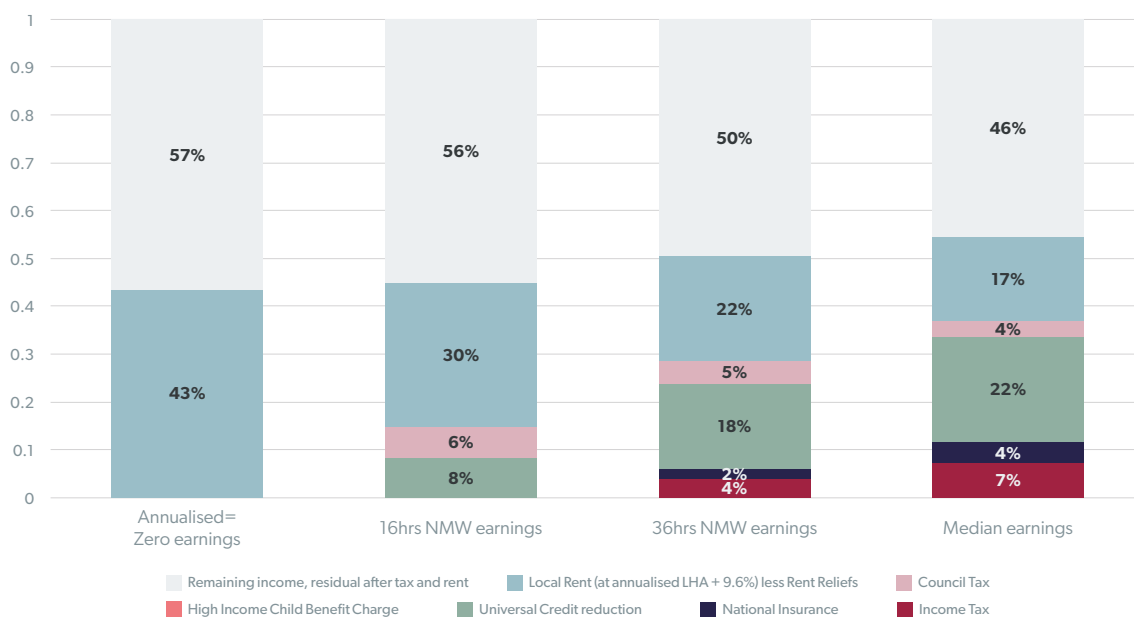
Source: CSJ analysis of ONS, DWP and Local Authority Data.

Notes: Housing costs are calculated using annualised LHA + a 9.6% increase due to the shortfall in LHA to cover rents identified in House of Commons Library, The rent safety net: changes since 2010, 17 August 2021.



However, for couples where one parent decides to work, they are faced with a completely different set of circumstances to a single parent and have a limited incentive to find work. As shown in Figure 31, despite a two-person household keeping 57 per cent of their income when neither partner is in work, once one parent decides to enter the workforce, they see a reduction in the proportion of their household income they get to keep to 55 per cent. For single parents, there is a real incentive to enter the workforce when they see an increase of 10 per cent in the proportion of total income they keep at the end of the month. For couples, there is no such incentive, and they will be paying a higher proportion of their income on costs as welfare is withdrawn.

Figure 31: Case Study of Earnings: Sutton Coldfield, West Midlands Couple/1 earner, 2 children, Privately rented 3 bed property at Local Rent



Source: CSJ analysis of ONS, DWP and Local Authority Data.

Notes: Housing costs are calculated using annualised LHA + a 9.6% increase due to the shortfall in LHA to cover rents identified in House of Commons Library, The rent safety net: changes since 2010, 17 August 2021.

Despite the taper rate being reduced to 55 per cent from 63 per cent in 2021, the Commission has found that withdrawal rates continue to be a major barrier for people looking to move into work. Effectively, working claimants on Universal Credit are paying an effective marginal tax rate at or above someone earning £150,000 a year. According to the Commission’s polling, both the general public and the most deprived view increasing wages as the key route to tackling in-work poverty, yet the most deprived are not able to feel the full financial benefit of work.<sup>202</sup>

One cause of high withdrawal rates are the changes that took place to the work allowances in 2016. In 2016, work allowances were abolished for some claimants and substantially lowered for others. Prior to 2016, a single claimant, or couple with no children, could earn £111 per month before seeing their Universal Credit reduced.<sup>203</sup> Currently a claimant is only entitled to a work allowance if they have responsibility for a child or have a limited capability for work. At the time of research, the maximum monthly allowances are currently set at £379 if a person receives help with housing costs and £631 if no housing support is given,<sup>204</sup> which are due to be updated in 2024.

202 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

203 UK Parliament, Universal Credit Changes from April 2016, November 2016, p. 33

204 Ibid, p. 32

Whilst in the short-term, the cuts to work allowances may have saved the exchequer money, the scrapping of work allowances for most people has meant Universal Credit claimants do not feel the full financial benefits of work as soon as they once did. In its original design, the work allowances would give claimants the opportunity to experience the financial benefit of working, increasing the likelihood of someone moving into work full-time and remaining there. In the long-term, this would be a net-benefit to the exchequer. The Commission's polling found that 51 per cent of the most deprived say that it is currently harder to live on benefits than it should be.<sup>205</sup> In the Commission's focus groups, respondents agreed that a key barrier to moving into work was the lack of financial benefit they currently experience due to the taper rate and work allowance level. One respondent said: *"I think if the money was good people would work, if you could afford to live and work, we all would work."*

The Commission heard that childcare costs also disincentivised moving into work. Universal Credit claimants can currently claim back 85 per cent of childcare costs if they are working or have a job offer but childcare costs can still be a disincentive by increasing the Effective Marginal Tax Rate (EMTR) for those starting work. In effect, by adding to the fixed costs of Universal Credit claimants who work, childcare liabilities encountered by parents claiming Universal Credit increase the effective Universal Credit taper, resulting in the experience of lost earnings and reducing the extent to which work pays.

Historically Universal Credit childcare element was paid in arrears as part of a monthly Universal Credit award meaning up-front costs had to be paid to providers by the claimant. The Commission heard how this was a significant cost for those without the financial savings to be able to pay in advance and how it reduced the incentive to move into work. The 2023 announcement that some Universal Credit claimants will receive childcare costs upfront will address this issue for some claimants.

## The Impersonal Nature of the Welfare System

Cliff edges within the welfare system are sharpened when claimants feel unsupported to find work that matches their skills and abilities. Of course, when in receipt of public money, there is a right expectation that claimants will move onto work without being excessively particular about the job on offer. However, certain aspects of the system place barriers onto people finding stable employment. The Commission was told by lived experience panels that many claimants do not feel understood or known by their work coach and lack the support they need to help them overcome barriers to employment.

Despite helping to reduce the unemployment rate, people with lived experience of the welfare system told the Commission how they didn't feel the Job Centre successfully assisted people into jobs that offer progression and development, or jobs that matched their existing skills. 60 per cent of those in living in income poverty are in-work and 70 per cent are of working-age.<sup>206</sup> The lack of pay progression is increasingly considered a reason for in-work income poverty, impacting women and those starting their careers the most.<sup>207</sup>

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205 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

206 The Institute for Fiscal Studies, *Why Has In-Work Poverty Risen in Britain?*, June 2019

207 The Institute for Fiscal Studies, *What Has Been Happening to Career Progression?*, July 2020

Below is an exchange between service users of the Moses Project in Stockton-on-Tees who were all currently, or had been, in receipt of benefits.

**Person 1:** “[on the welfare system] it’s digitised, not analogue, they’re expecting everyone to be on social media, not everyone can afford a new smartphone!”

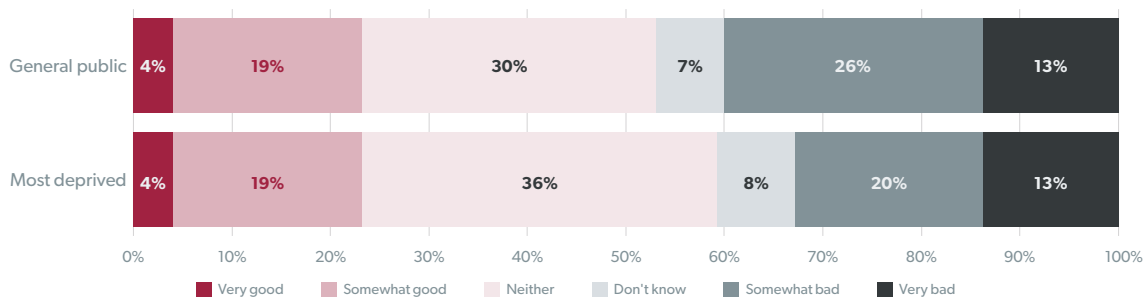
**Person 2:** “There used to be people to talk to, you wait 30-40min in line for them to tell you your appointment [at the Job Centre] is 3-4 weeks away.”

**Person 3:** “[On training schemes] the focus is not on me, it’s focused on commission for the work coaches, not what job you want.”

**Person 4:** “I don’t even get a chance to speak to my Job Centre contact, it’s all on the UC [Universal Credit] journal, I don’t know what’s going on.”

A common thread uniting these young men is that they felt the welfare system was not working in their best interests. This feeling is reflected in the Commission’s polling where less than a quarter of the general public and most deprived felt the welfare system does a good job of encouraging people into work, as per Figure 32.

Figure 32: Whether the Welfare System Does a Good Job of Encouraging People into Work



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

Whilst polling is subjective this result highlights perceived flaws within the system that are letting down welfare claimants who want to make the move into work. Overcoming long-term dependency on welfare requires personalised support that gives people the confidence and skills they need.

## The Shadow Market Feels Safer Than Registered Work

“There’s lots of little work in this town, painting and decorating, gardening, that sort of low skilled manual work you can do on the fiddle. They do that to supplement their benefits income, they don’t want to do it legit as they’ll lose their benefits that they’ve become completely reliant on. It’s terrifying...it’s a big step out you see to say, ‘I’ll go legit’ ...the terror of not having work for next week and bringing in money...they haven’t got the ground behind them, they don’t have families that can dig them out of debt so it’s just too risky.”

– Charity Leader, Key Community South Shields

*"It's been easier for me to sell drugs than it has been to sign on."*

**Young man supported by Pure Insight, Big Listen North West**

The academics Schneider and Enste define the shadow, or hidden, economy as: *"the underground, informal, or parallel economy, the shadow economy includes not only illegal activities but also unreported income from the production of legal goods and services, either from monetary or barter transactions."* In the UK, this hidden economy is estimated to cost the taxpayer hundreds of billions of pounds in untaxed income. The Institute for Economic Affairs estimated in 2013 that the shadow economy constituted 10 per cent of GDP in the UK.<sup>208</sup> In 2017, HMRC and the National Centre for Social Research (NCSR) found that 4.9 per cent of the population was found to be involved in the 'hidden economy.' This rose to 11 per cent of those earning under £10,000 a year.<sup>209</sup> The NCSR published new findings in 2023 that showed the 'hidden economy' had grown and estimated that nearly one in ten UK adults participated in unregistered work of which 54 per cent had a total income above the tax threshold.<sup>210</sup> 32 per cent of people working in the shadow economy reported their main source of income to be from a pension, tax credit, state benefits, maintenance payments, from an ex-partner or another source.<sup>211</sup>

The Commission was told that many people who undertake work outside the normal parameters of the economy do so to guarantee their financial security. For some people, claiming welfare and retaining the security and stability of regular benefit payments, whilst topping up their income with unofficial cash-in-hand work, offers a better route to financial autonomy than taking a job that would be subject to a high effective marginal tax rate. Specifically, there is a fear of returning to benefits if a job didn't work out and not passing an assessment for additional payments such as Employment Support Allowance and Personal Independence Payment.

The Commission heard from a variety of different people about the difficulties they perceived they would experience if they left the welfare system, as well as the perception of the assessment process for additional benefits.

*"I'd like to go get an apprenticeship, but as a parent it is not feasible because I would lose out on benefits, and it wouldn't pay well... you would just be stuck."*

**Focus Group Participant, Plymouth**

*"Because I've got cancer, it's been easy for me to get benefits and PIP etc. But my partner, has mental health issues, and he's had to go through tribunals and all sorts. But he's actually more in need of it than I am. Because I have cancer, I automatically get everything, but some people with disabilities have had real problems getting what they need."*

**Focus Group Participant, Jaywick**

208 Institute of Economic Affairs, *The Shadow Economy*, June 2013, p. 13

209 Doyle, M., Lapanjuuri, K., Toomse-Smith, M., *The Hidden Economy in Britain*, October 2017, p. 3

210 National Centre for Social Research, *The Hidden Economy in the UK*, July 2023

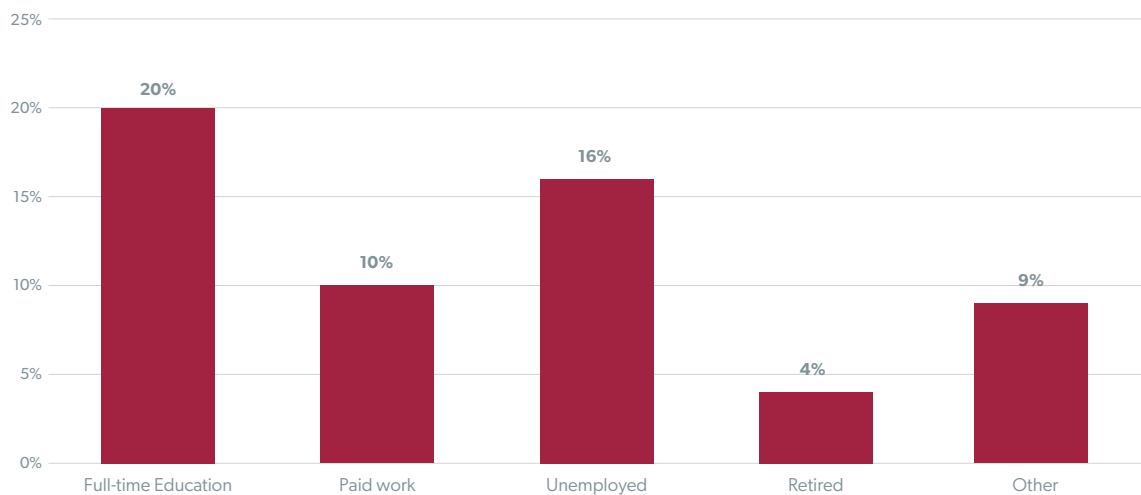
211 HMRC, *The Hidden Economy in the United Kingdom – Wave 2 (2022)*, June 2023, p. 20

*“PIP applications are horrific. So many are rejected initially, and then you can appeal. It becomes a hugely stressful situation.”*

Charity, Big Listen Wales

A general fear of assessments, like the above, have meant that many claimants are choosing to work unofficial jobs in the shadow economy rather than leave the welfare system on which they have become completely dependent for security and regular income. This is reinforced by research commissioned by HMRC which found that it is often the most disadvantaged who are active within the shadow economy. As per Figure 33 unemployed people were found to be the second most likely group to be involved in the shadow economy, whilst people living in the top three most deprived IMD quintiles were much more likely to be involved in the shadow economy than those in the least deprived IMDs.<sup>212</sup>

*Figure 33: Participation in the Hidden Economy, by Economic Activity*

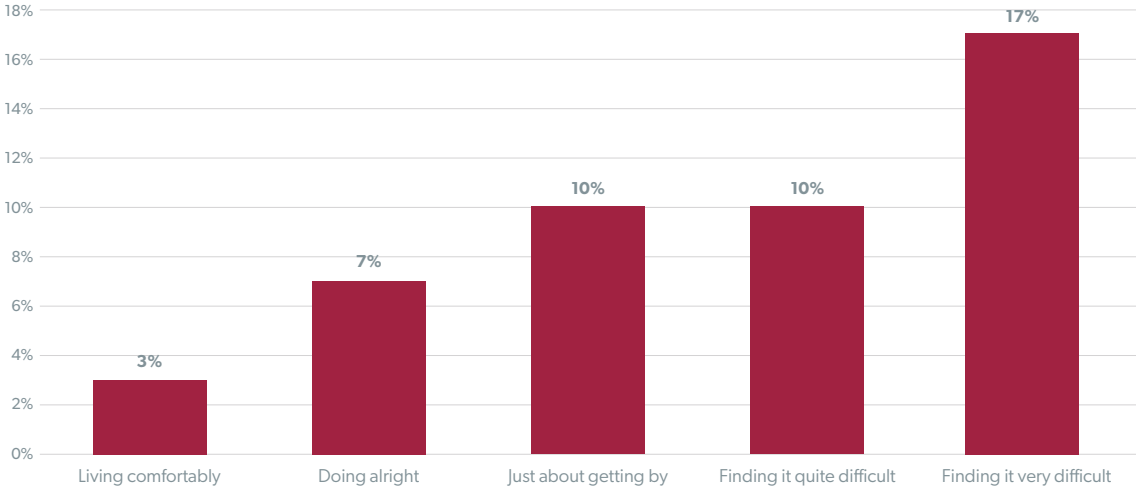


Source: HMRC, *The Hidden Economy in the United Kingdom – Wave 2, March 2023*

Those who find their financial situation difficult or just about getting by are also more likely to be involved in the shadow economy, as per Figure 34.

212 Ibid, p. 18

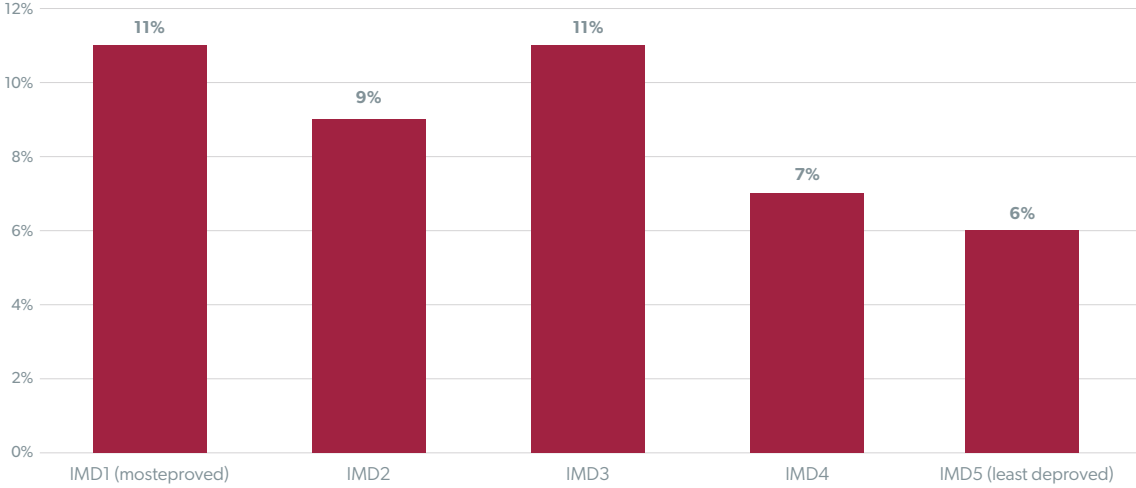
Figure 34: Participation in the Hidden Economy, by Reported Financial Situation



Source: HMRC, *The Hidden Economy in the United Kingdom – Wave 2, March 2023*

The shadow economy is also more prevalent within the UK’s most deprived communities. This reinforces the Commission’s findings in South Shields, where charity leaders said that significant amounts of people choose to work in the shadow economy. This will have a compounding effect on local places and outcomes for people, placing a ceiling on aspiration and entrenching behaviours intergenerationally. Figure 35 shows that the shadow economy is more prevalent in Britain’s more deprived communities.

Figure 35: Participation in the Hidden Economy, by IMD Quintiles



Source: HMRC, *The Hidden Economy in the United Kingdom – Wave 2, March 2023*

The shadow economy traps people in poverty. It places a ceiling on opportunity and is also a pathway into crime. Yet for many people it remains a perfectly rational decision to work cash-in-hand whilst claiming long-term benefits. When work is low pay, insecure, and temporary, it becomes much safer to remain on welfare and participate in the hidden economy rather than risk a job.

*“It’s a big commitment to risk going off the benefits system for a new job that may not work out five, six weeks later, for varying reasons because everyone is different. It should be an honest conversation: ‘I’ve tried my best for six weeks it hasn’t worked out.’ Your roof should be secure.”*

Service User, Clean Slate Solutions

For many of these people, supported entry into work will be one of the best ways of processing and overcoming their complex issues. Grassroots organisations, charity leaders and lived experience panels all corroborated the view that work is good for you and has many social benefits.

*“There are plenty of people now who aren’t working but who could possibly do so, you need something as humans, to keep your brain active and focus on.”*

Charity Leader, Link Community Hub Sheffield

## Those in the Criminal Justice System are Caught in a Cycle of Reoffending and Worklessness

Employment prospects for those leaving prison remain poor. In May 2023, the CSJ highlighted that just 16 per cent of prison leavers were in employment six weeks after they left custody, while only 23 per cent had a job six months after they left the prison gate.<sup>213</sup> 47,000 prisoners re-enter the community every year while the UK has 960,000 vacancies.<sup>214</sup> If the majority of these prisoners entered work and remained there, it would help to boost economic growth and reduce economic dependency.

As well as tackling worklessness, supporting prisoners into employment would help to reduce re-offending. Whilst a custodial sentence must serve as a punishment and deprive liberty, prison is an opportunity to break the cycle of reoffending and protect more would be victims of crime. Work has a significant effect on reducing reoffending rates. Analysis suggests that a job can cut the risk of reoffending by between a third and a half and root cause of crime is lack of aspiration and opportunity.<sup>215</sup>

New releases from prison are often caught in a cycle of worklessness and reoffending. Grassroots charities told the Commission how individuals with frequent contact with the criminal justice system often understand their crime as a skill, something for which they are known and can take pride in.

Reoffending was therefore sometimes about doing something well, rather than just committing crime for the sake of it. The intergenerational nature of criminality has been well documented with previous studies finding that 63 per cent of those with a convicted father were convicted themselves by the age of 32.<sup>216</sup> HM Inspectorate of Probation found that a stunning six per cent of families in England and Wales accounted for half of all convictions.<sup>217</sup>

213 CSJ, Unlocking Aspiration: Breaking Down Barriers to Work for People Leaving Prison, May 2023

214 ONS, Vacancies and Jobs in The UK: October 2023, 14 November 2023

215 Centre for Regional Economic and Social Research, Reducing Re-Offending: The Enterprise Option, 2004

216 HM Inspectorate of Probation, Family Relationships, February 2021

217 Ibid

Charity leaders felt there had been an expectation of a rising standard of living, which couldn't be provided on the wages of any of the jobs available. This has meant that some young people are turning to illegal types of work, rather than participating in work and avoiding crime. In the North East, the Commission was told by several charities, that due to children having little aspiration for their own careers and abilities to succeed in life, drug dealing was seen to achieve wealth and recognition. Without the economic and community ties experienced by previous generations, criminal activity like drug dealing became a means to achieve a good standard of living.

A focus group participant at the Moses Project in Stockton-on-Tees said: *"I grew up on a council estate, it was normal for me to deal drugs"*. This young man, barely into his 20s, spent his childhood thinking it was a normal path of behaviour to deal drugs. For potentially thousands of young people across the country in similar positions, the long-term impact of low pay and aspirations can be likewise destructive.

Work provides an effective route out of crime. Less crime and reoffending would help to ease the crisis in UK prisons and tackling economic inactivity and unemployment, as well as reducing the financial burden of such a minority of people on the taxpayer.

The Commission has heard about the life-sapping effect that prison can have on those in custody. A service user at Clean Slate Solutions, an into-work ex-offenders charity based in Middlesbrough, told the Commission: "if you really want the opportunities in prison, you can have it, but you have to believe it's there. The whole system knocks belief factor out of you. There are so many false promises along the way." Similarly, at the Big Listen Yorkshire, Jane Degurre who works with prisoners in HMP Leeds, told Commissioners: "Prisoners are coming out with absolutely nothing – the men we work with are coming out homeless, with nowhere to live. The figures for the reality of it are much lower as they go and sleep on people's couches or stay with their mum. There is just not sufficient accommodation. The quality of the accommodation is shocking".

## People Want to Work

Despite these findings that much of the available work was poor quality and barriers to work still remained, people want to work. Even many of those on the highest tier of incapacity benefits say they would like to work. One in five claimants in the Limited Capability for Work and Work-Related Activity (LCWRA) group, which stands at 2.4m claimants in total, would like to work. It is deeply wrong to stand by and leave this wasted human potential.

Across the nation there is a general assumption that when work is good, it provides a tangible benefit. In 2021, 41 per cent of people agreed that paid work is good for mental health, an increase of 15 points from 2019 and 27 per cent of people agreed it was very good for physical health, up from 17 points in 2019.<sup>218</sup>

Our interviews with those of lived experience of both working and out of work benefits, on the whole expressed their desire to work.

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218 The National Centre for Social Research, Work and Health, 2021, p. 10



*"I'm on the ESA, but I would much rather be working. I am going to look for something one day a week [to ensure I do not get my benefits taken away]."*

**Jaywick Focus Group Participant**

*"There is my wife, if she didn't work, we would be on the same money. She would be on that Universal Credit that would cover her wage. She works for two simple reasons. One, she wants to show the kids that she works, and she wants that positive influence on them, and two for her own mental health." [sic]*

**Male, Family Gateway Howdon**

## Financial Resilience

*"The shortage of money, we are all probably affected by that. We are not so well paid; we always have money troubles. You start off with them and end up with them. I live on the state pension, I have a friend who must sell their house because of his state pension, he doesn't know what he is going to do because once you sell a house, his problem is going to be that he can't get a house from the council because he's made himself voluntarily homeless."*

**Focus Group Participant, Plymouth**

*"If you know you are in debt, you don't open your post. When you go to work you leave them on the doorstep. I came from a workless household. My Mam and Dad are in debt, I will get in debt."*

**Service User, Family Gateway**

Shocks and setbacks occur in everybody's lives regardless of who they are or their economic and social background. Setbacks, be they in the form of an economic or relational shock, are an inevitable part of life and so it is important that people possess the necessary resilience and protective factors to absorb those setbacks and enable them to realise their potential.

Although financial cushioning is an important factor in people's ability to succeed despite adversity, protective factors are more than just the money in your pocket and can be both economic and social. A stock of cash or assets to fall back on can be helpful in the face of economic turbulence, but they cannot act alone. Social capital – as described by Robert Putnam, Malkin Research Professor of Public Policy at Harvard University, – is also required.<sup>219</sup> A supportive family and a good education can help people absorb and recover from setbacks where money is either unavailable or an inadequate solution to the problem, as it so often is.

<sup>219</sup> Putnam, R., *Bowling Alone: The Collapse and Revival of American Community*, October 2020

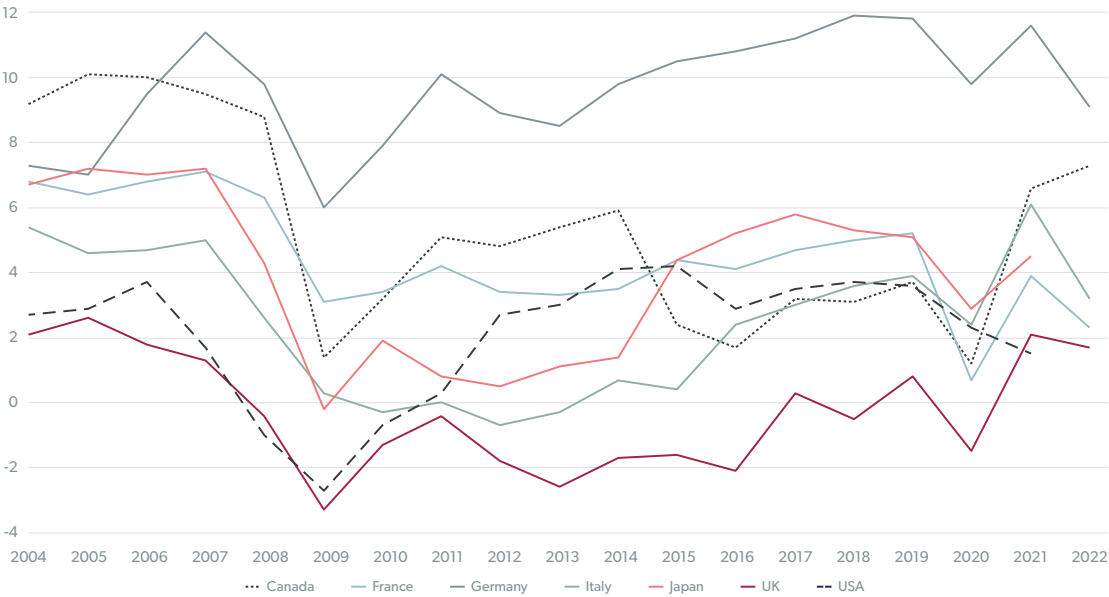
Social factors that build resilience have always been important for those on the lowest incomes. In a time of stagnating wages and rising cost of living, these social safety nets have become even more important. Poor economic headwinds paired with rapid change has, and will, continue to accentuate this fact. As incomes are squeezed in our stagnant economic environment, economic and social protective factors will become more important as consumers cannot rely on the rising tide of wage growth to carry them.

## Savings

A bank of savings is important not only for providing financial resilience against the inevitable shocks referred to above, but also providing a sense of security that allows people to live their day to day lives without fear of sudden changes. A consistent ability to save also offers the opportunity to compound those savings and build a bigger pot.

While the UK often thinks of itself as a nation of savers, the reality is very different and has been for a long time. Figure 36 shows that the UK's savings rate lagged behind all other G7 countries and has done since 2008.

Figure 36: G7 Savings Rate as a Percentage of GDP, 2004 to 2022

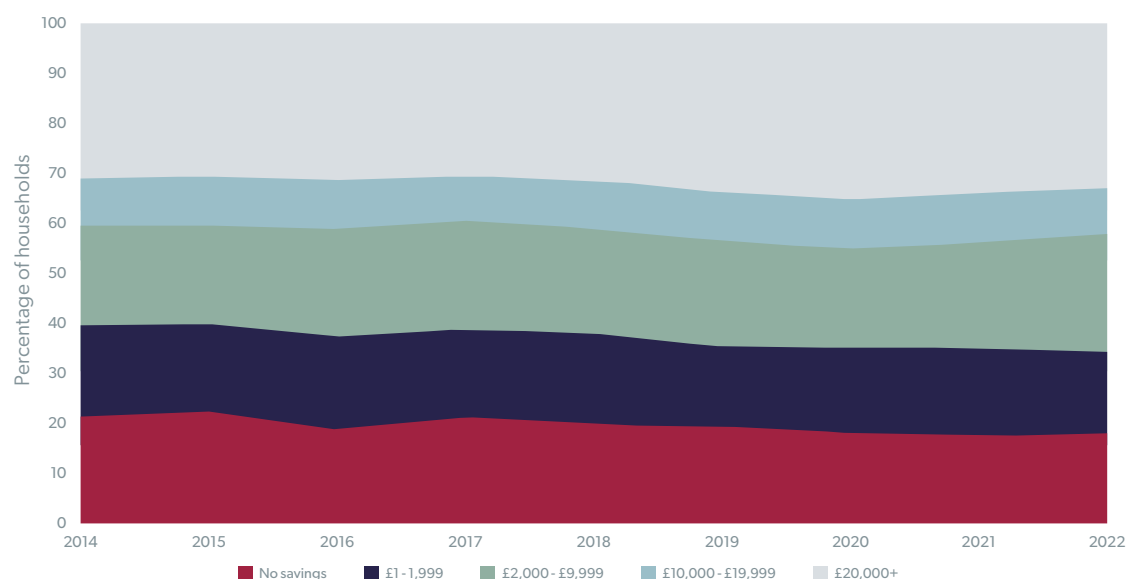


Source: OECD, CSJ analysis of 'Saving rate'<sup>220</sup>

Survey evidence collected by the Bank of England has shown a small decrease in the proportion of households who report having no savings in a savings account, declining from 21.74 per cent in 2014 to 18.08 per cent in 2022, as per Figure 37.

220 Notes: 2022 data not available for USA and Japan, Saving is equal to the difference between disposable income (including an adjustment for the change in employment-related pension entitlements) and final consumption expenditure. It reflects the part of disposable income that, together with the incurrence of liabilities, is available to acquire financial and non-financial assets. The saving rate presented here corresponds to net saving, which is saving net of depreciation, as percentage of gross domestic product (GDP).

Figure 37: Savings Build up by Households, 2014 to 2022

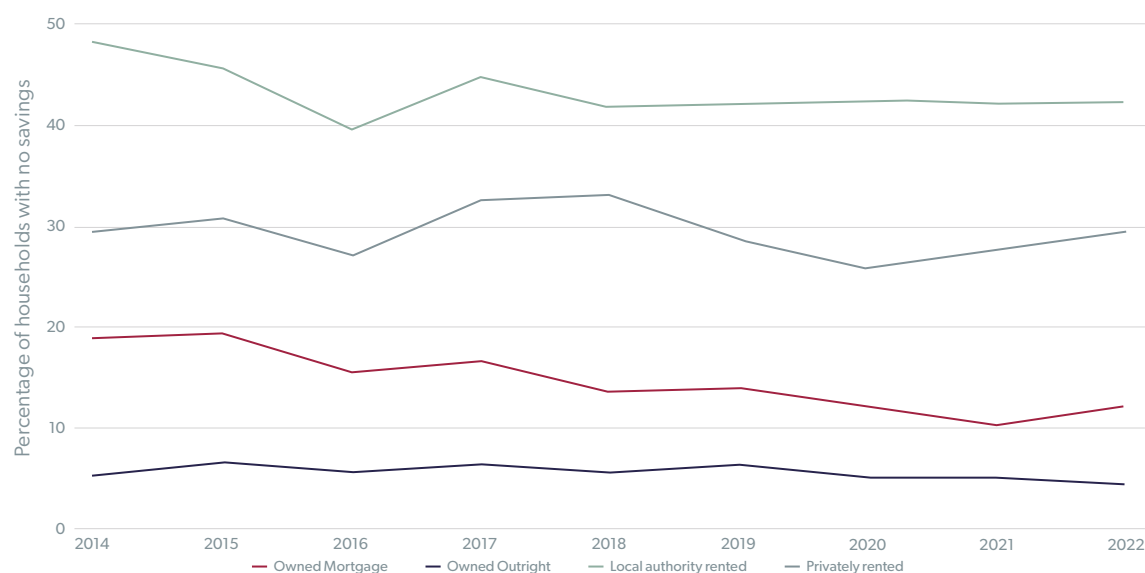


Source: CSJ analysis of Bank of England NMG Household Survey

On an individual rather than household level, the Financial Conduct Authority's (FCA) *Financial Lives Survey* found that in 2022, 30 per cent of adults had no savings, down from 37 per cent in 2020. Equally, evidence collected by the FCA shows that where low-income households do have savings, their pots are significantly smaller and are more likely to be kept in cash.<sup>221</sup>

The Bank of England's household survey suggests that local authority rented households are nine times more likely to report having no savings than households which own outright, as shown in Figure 38.

Figure 38: Percentage of Households With no Savings by Tenure Type



Source: CSJ Analysis of Bank of England NMG Household Survey (PTNS/DK excluded)

221 Financial Conduct Authority, *Financial Lives 2022 Survey*, July 2023, pp. 33-34

Limited savings amongst those on the lowest incomes makes them less likely to be able to withstand the economic shocks that the UK has faced over recent years. Indeed, during the COVID-19 pandemic, low-income households were likely to report that their costs had gone up whereas costs for those on the highest incomes had decreased.<sup>222</sup> This demonstrates another example of where the COVID-19 pandemic intensified existing experiences of low financial resilience, squeezing tighter the resources of those already struggling while providing some relief for those who financially had more cushion in the first place.

## Over Indebtedness

Credit forms a natural part of people's day to day lives and is used in a variety of ways. Paying for a phone or insurance monthly is likely to involve taking out credit. Buy Now Pay Later and credit cards are other common examples of the way people borrow.

Breakdown Britain found that personal debt was one of the most serious social problems facing the UK, uncovering that personal lending had reached the figure of £1.25 trillion, the equivalent debt per household of £50,000.<sup>223</sup> The ratio of debt to income had risen from under 50 per cent in the 70s to over 140 per cent in 2006. In 2006, British consumers were on average twice as indebted as those in Continental Europe.<sup>224</sup> The Commission's polling found that for all demographics, debt ranked as the third most important perceived cause of poverty, behind low wages and lack of affordable housing.<sup>225</sup>

Total household debt as a proportion of household income peaked in 2008 at 156 per cent. It fell to 128 per cent by late 2015, reflecting increasing cautiousness by financial institutions. It began to rise again from early 2016 to 136 per cent in Q4 2017, before falling to 132 per cent in late 2019.<sup>226</sup>

During the COVID-19 pandemic, household debt began to rise again as a result of rising mortgage debt.<sup>227</sup> Household debt rose to 136 per cent in Q2 2021 before dropping to 127 per cent in Q2 2023, as per Figure 39.<sup>228</sup> The House of Commons Library equate this drop to higher interest rates.<sup>229</sup> As the cost of borrowing has risen in recent years, less households have been able to afford credit that before was available for much lower repayment rates.

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222 Resolution Foundation, *Pandemic Pressures: Why Families on A Low Income are Spending More During Covid-19*, January 2021, p. 6

223 CSJ, *Breakdown Britain*, December 2006, p. 64

224 *Ibid*

225 Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

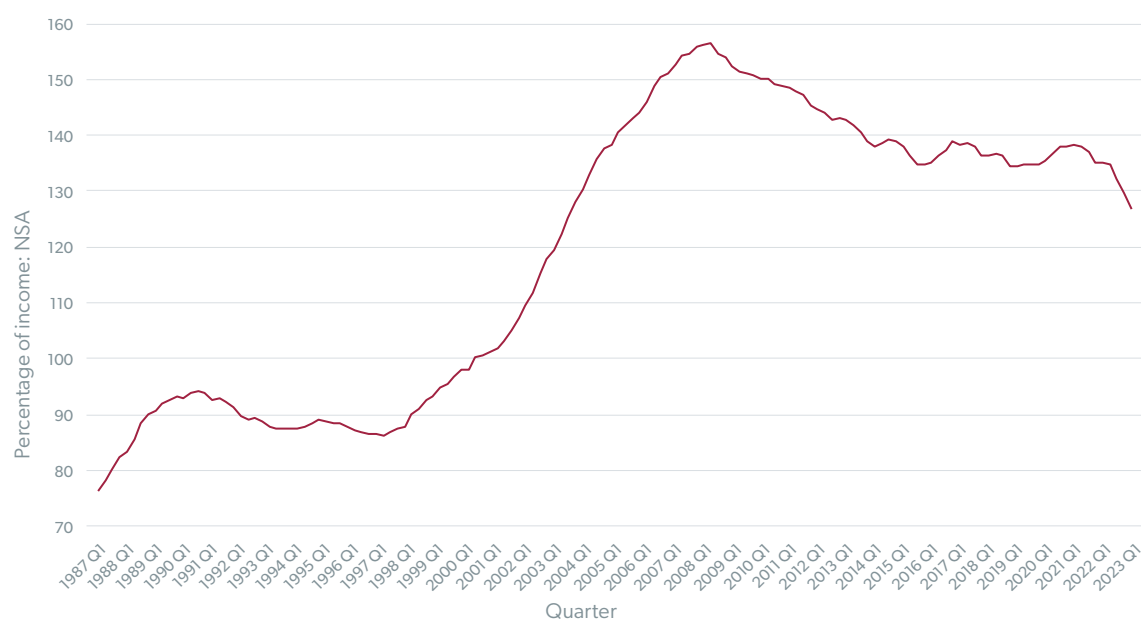
226 House of Commons Library, *Household Debt: Statistics and Impact on Economy*, August 2023, p.5

227 *Ibid*

228 Office for National Statistics, *Households (S.14): Debt to Income Ratio: Percentage: NSA*, June 2023

229 House of Commons Library, *Household Debt: Statistics and Impact on Economy*, August 2023

Figure 39: Household Debt to Income Ratio: Percentage: NSA, 1987 to 2023



Source: ONS, CSJ analysis of 'Households (S.14): Debt to Income Ratio: Percentage: NSA'

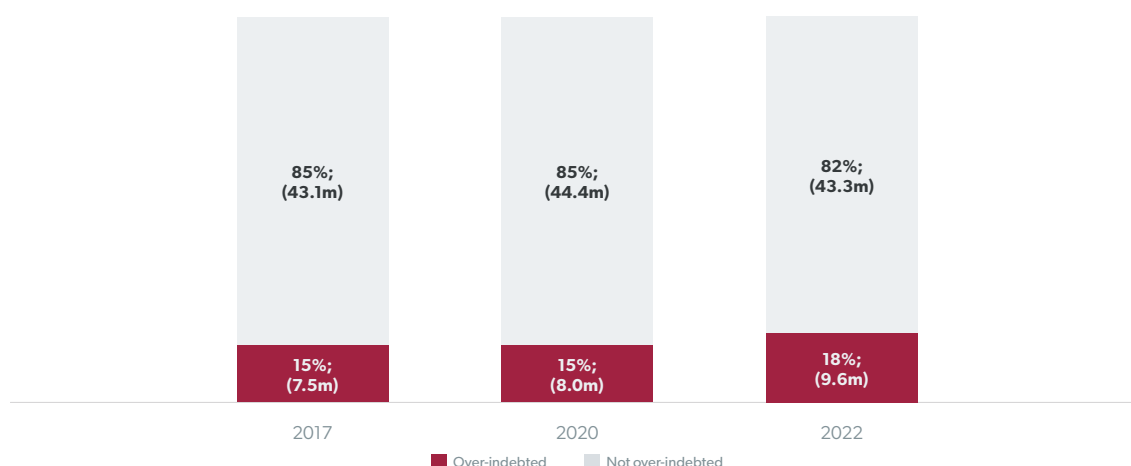
Where appropriate, credit can improve people’s standard of living by helping them to spread out payments and make purchases they might not be able to pay for outright. When managed well, credit can be a helpful way of paying for goods and services. The issue is when debt becomes unmanageable and problematic. There is no single agreed definition of when credit becomes a burden, but common metrics adopted include *problem debt*<sup>230</sup> and *over indebtedness*.<sup>231</sup>

Despite income to household debt falling in recent years, the proportion of the population that are overindebted has risen by 2.1 million since 2017, to 18 per cent of UK adults in 2022, as shown in Figure 40.

230 Problem debt is defined as having liquidity problems, solvency problems or both. Liquidity problems is defined as “falling behind with bills or credit commitments and (in two or more consecutive months) arrears on bills or credit commitments or household debt repayment to net monthly income ratio >25 per cent”. Solvency problems is defined as “feel debt is a heavy burden and debt to net annual income ratio >20 per cent”.

231 Over indebtedness is defined as adults who have failed to pay domestic bills, meet credit card commitments, or find keeping up with bills and credit commitments difficult.

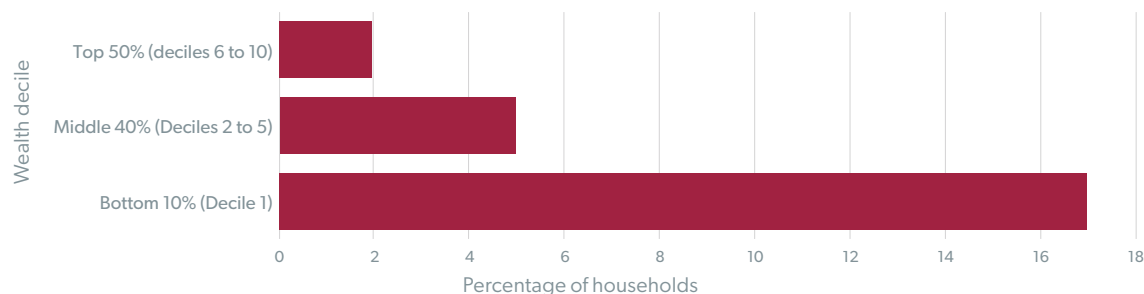
Figure 40: Over-Indebtedness, 2017 to 2022



Source: Financial Lives 2022, Key findings from the FCA's Financial Lives May 2022 Survey, Figure 4.13

Consumer credit debt continues to be a problem for low-income households. Research from 2020 showed that it was low-income households who had seen the fastest rise in the use of consumer credit since the financial crisis.<sup>232</sup> It is also poorer households that are more likely to experience problem debt, as per Figure 41.

Figure 41: Percentage of Households Dealing with Problem Debt by Wealth Decile, 2018 to 2020



Source: ONS, CSJ analysis of 'Household Debt: wealth in Great Britain, table 7.17'

One significant change over the past two decades has been the rise of debt owed to Government authorities. Outstanding council tax debt grew by a record 53 per cent between 2020 and 2023 to £5.5bn.<sup>233</sup> Councils have increasingly used bailiffs, which are meant to be last resort, to recover debt. Three million people have been taken to court for council tax debt in some of the poorest parts of the country.<sup>234</sup> In addition, some welfare claimants inherit debt within the system. In the year ending March 2023, 1.3 million UC claimants had payments docked because of historical tax credit overpayments.<sup>235</sup>

232 Resolution Foundation, An Outstanding Balance?, January 2020

233 Department for Levelling Up, Housing & Communities, Collection rates for Council Tax and non-domestic rates in England, 2022 to 2023, 21 June 2023

234 Robson, S., 'It Keeps You Up at Night': More Than Three Million Taken to Court Unable To Pay Their Council Tax, The I, 11 June 2023

235 Sky News, More Than a Million Universal Credit Payments Cut Over the Past Year Because Of Historical Overpaid Tax Credits, March 2023

Of increasing concern is the number of people who are borrowing money outside the Financial Conduct Authority's regulatory perimeter, particularly those borrowing from illegal money lenders. In 2022, the Centre for Social Justice estimated that up to one million people in England could be borrowing from illegal money lenders after being introduced to them by friends and family members.<sup>236</sup> This speaks to a growing number of people who cannot access the legal credit market or do not feel it is for them. A significant gap appears to have emerged in the credit market that is being filled by informal lending. CSJ analysis of Illegal Money Lending Team England data has shown that 45 per cent of people borrowing from an illegal lender cite everyday costs as the reason.<sup>237</sup>

Debt can also be a paralysing experience, compounding other challenges and gripping whole communities. According to the Commission's polling, debt was viewed as the third most important cause of poverty in their area by both the most deprived and the general public.<sup>238</sup> 54 per cent of Citizens Advice debt clients have a problem in at least one other area of life such as employment or housing.<sup>239</sup> 20 per cent of people in problem debt in Great Britain report 'bad' or 'very bad' health compared to seven per cent not in problem debt.<sup>240</sup> People with unmanageable debt are 24 per cent more likely to experience poor mental health.<sup>241</sup> One focus group participant from Family Gateway in Howden put it, *"If you know you are in debt, you don't open your post. When you go to work you leave them on the doorstep. I came from a workless household. My Mam and Dad are in debt, I will get in debt"*. The intergenerational nature of problem debt was also iterated to the Commission by Step2Recovery, a charity supporting ex-offenders. One person told the Commission: *"My family were always in debt, so I got in debt. I didn't know any other way."*

At the Big Listen Yorkshire, the charity Snowdrop which provides support to survivors of human trafficking, told the Commission: *"The stress people go through is huge, and that makes it hard to work. Look at the fascinating and awful video of a human trafficker modern slave master doing drug runs and county lines. He says they target the most lonely and isolated kids. The traffickers feel they're doing the kids a favour. The kids feel great that they have community and friendship, and they get paid commission. There's no red tape to navigate. Often mum at home is in debt and she doesn't care where the £100 comes from, she's just grateful."*

Problem debt doesn't just operate in a silo it can be a pathway into crime, family breakdown and exploitation.

## Financial Management

Central to individual resilience is the ability to manage and make the most of your finances, regardless of your total income. Yet millions of people across the UK do not feel confident managing their money. Young adults aged 18-29 have some of the lowest levels of financial literacy among the population, with 29 per cent being defined as financially illiterate by the World Bank, compared to 18 per cent of adults.<sup>242</sup> The World Bank define financial literacy as *"the ability to use one's knowledge and skills to effectively manage financial resources."*<sup>243</sup>

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236 CSJ, *Swimming with Sharks: Tackling Illegal Money Lending in England*, March 2022, p. 42

237 *Ibid*, p. 51

238 Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

239 Citizens Advice, *A Debt Effect? How Is Unmanageable Debt Related to Other Problems in People's Lives*, July 2016, p. 4

240 The Health Foundation, *Debt and Health: Preventing 'Problem Debt' During the Pandemic Recovery*, January 2022

241 *Ibid*

242 Financial Times, *Using Data from An FT Commissioned Survey by Ipsos Mori And World Bank Definition Of Financial Literacy*, 2021

243 The World Bank, *Financial Literacy – Helping Citizens Make Smart Financial Choices*, 21 June 2018

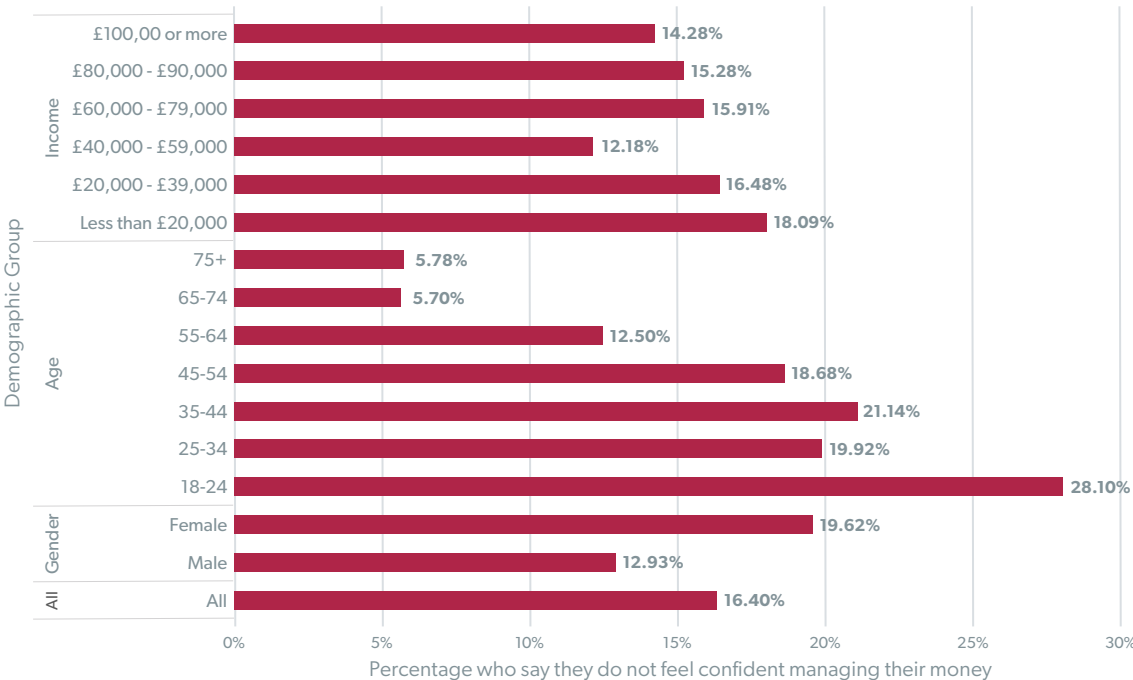
The UK has a problem with financial literacy and education. Millions of people across the nation find it difficult to manage their finances and feel lacking when it comes to having the right skills. The lack of financial literacy among the UK population has implications for wider social disadvantage. For example, 46 per cent of adults, roughly 14 million people, with experience of financial difficulty believe that low money management skills contributed to their situation. Around half of adults (24 million people) report not feeling confident managing their money day to day and one in two were found unable to pass a financial literacy test run by the OECD.<sup>244</sup>

Internationally, the UK ranks only just above the G20 average for financial literacy on a metric which measures financial knowledge, behaviour, and attitudes across the group.<sup>245</sup> With its middling score, the UK ranks below comparator countries France, Norway, and Germany. The OECD has ranked the UK 15th for adult financial literacy, lagging well behind France and Norway, as well as China and Indonesia.<sup>246</sup>

Poor financial literacy has a negative effect on wellbeing and mental health. The Money and Mental Health Policy Institute have found that 46 per cent of people in problem debt also have a mental health problem.<sup>247</sup> 72 per cent have said that mental health problems had made their financial situation worse, creating a compounding effect when money difficulties worsen mental health which subsequently worsens money difficulties.<sup>248</sup> The most disadvantaged also face financial barriers that others in society do not face.

As Figure 42 shows below, around 16 per cent of people say that they do not feel confident managing their money, rising considerably higher amongst young people.

Figure 42: Percentage Who Say They do not Feel Confident Managing Money, by Demographic Group, 2019



Source: CSJ analysis of Financial Conduct Authority Data (n = 3,001)

244 CSJ, On the Money, June 2022, p. 6  
 245 G20/OECD, G20/OECD INFE Report on Adult Financial Literacy in G20 Countries, 2017  
 246 CSJ, On the Money, June 2022, p. 15  
 247 Money and Mental Health Policy Institute, Debt and Mental Health: A Statistical Update, March 2019, p. 3  
 248 Money and Mental Health Policy Institute, The Facts: What You Need to Know, n.d. Accessed: [www.moneyandmentalhealth.org/money-and-mental-health-facts/](http://www.moneyandmentalhealth.org/money-and-mental-health-facts/)



There is a clear need to support people to feel more confident managing their money. New analysis conducted by the CSJ suggests a close correlation between financial confidence and financial control. As Table 1 shows, 60 per cent of people who say they are always in control of their finances also say that they feel very confident managing their money. Financial control itself is a difficult concept to measure. A person needn't be wealthy to have control over their finances yet having a stock of wealth may increase feelings of security and control.

Table 3: Relationship Between Financial Control and Financial Confidence, 2019

		FINANCIAL CONTROL				
		ALWAYS IN CONTROL	IN CONTROL	MIDDLE	LOSE CONTROL	OFTEN LOSE CONTROL
Financial Confidence	Not at all confident	3.65%	3.10%	4.81%	8.22%	<b>30.57%</b>
	Not confident	4.13%	9.59%	12.87%	21.13%	13.47%
	Middle	7.88%	22.14%	<b>41.86%</b>	26.53%	18.65%
	Confident	23.94%	<b>44.43%</b>	31.32%	<b>31.22%</b>	12.44%
	Very confident	<b>60.38%</b>	20.73%	9.15%	12.91%	24.87%

Source: CSJ analysis of Financial Conduct Authority data (n = 3,001)

Another closely related factor is likely to be possessing an understanding of the state of your finances and the ability to direct them.

Children's money habits are formed as early as age seven and so instilling the knowledge, behaviour, and attitudes required for financial control needs to begin early too.<sup>249</sup> Yet not all pupils are taught the information they will need in life and large gaps between different socio-economic groups emerge even when they are.

Children from lower incomes report, face the dual challenge of having less money and also fewer skills for how to manage it. 67 per cent of children from advantaged backgrounds reported that they have been taught skills such as working out change, compared to 54 per cent on skills from less advantaged backgrounds.<sup>250</sup> The trend continues in secondary school where 21 per cent of advantaged students say that they were taught about government taxes compared to 12 per cent of disadvantaged pupils.<sup>251</sup> Similar analysis found that key basic financial skills such as learning how to budget, read bills, and understanding how borrowing works are only taught by schools to a minority of disadvantaged pupils.<sup>252</sup>

249 Money and Pensions Service, *Talking Money With Children And Young People During Talk Money Week And Beyond*, 2022

250 FFT Education Data, *Do Disadvantaged Children Receive Enough Financial Education in School?*, February 2022

251 Ibid

252 Ibid

Less than half of advantaged children (43 per cent) are taught about saving money, but this figure drops to 28 per cent for those from disadvantaged backgrounds. Researchers from UCL have found that the financial skills of 15-year-olds from socio-economically disadvantaged backgrounds are similar to 11-year-olds from the most advantaged backgrounds.<sup>253</sup> It's little surprise that without this knowledge, young people aged 18-24 are the most likely to say that they do not feel confident managing their money. Better money habits are key to improving individual resilience at all levels of the income spectrum, but the evidence suggests that Britain is lagging behind.

## The Influence of the Covid-19 Pandemic

While the influence of the COVID-19 pandemic squeezed the financial resilience of the most disadvantaged, including through eating into their savings and increasing the likelihood of going into debt, the COVID-19 pandemic simultaneously undermined social resilience. The squeezing of material resilience impacts the social capital, with evidence confirming the strong causal link between falling into debt and strained relationships.<sup>254</sup>

The challenges also have a compounding effect. Experiencing a job loss and breakup simultaneously, can have a worse impact on resilience and wellbeing than experiencing these factors separately. The culminative effective is far worse than the sum of its parts and can also have a domino effect where one knockback can spawn more.

Despite economic challenges, the general public and most disadvantaged can build their economic and social resilience. In the next section the Commission focuses on the economic building blocks of resilience, including building up savings, avoiding unmanageable debt, and sure financial management. This chapter will then examine the non-economic protective factors of basic skills, digital skills, family, support networks and education that build individual resilience.

## Protective Factors

While economic buffers are important, non-monetary protective factors are also key components of resilience. Core protective factors include basic skills, digital skills, family and support networks.

Protective factors help people to withstand the economic and social challenges of life and also give people a secure foundation to bounce back and recover. When protective factors are lacking in a person's life, they are more likely to be trapped in a cycle of disadvantage where problems can quickly compound to create more difficulties. Whilst everyone is dependent on protective factors, they are more significant to individuals and families who lack financial resources.

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253 UCL, The Financial Skills of Disadvantaged Children Are 'Years Behind' Their More Advantaged Peers, 10 February 2022

254 Step Change, Problem Debt and Relationships Can Be a Toxic Partnership, 14 February 2019. Accessed: [medium.com/stepchange/problem-debt-and-relationships-can-be-a-toxic-partnership-3792d5662e80](https://medium.com/stepchange/problem-debt-and-relationships-can-be-a-toxic-partnership-3792d5662e80)

## Basic Skills

*“I had to work out the circumference of a circle at school. When I left school and got my own place, I didn’t know how I needed to pay council tax. And I got a massive fine for that. I didn’t know I had to pay Council tax.”*

Service User, Family Gateway, Newcastle

In 2007, the CSJ’s report, *Breakthrough Britain*, identified a lack of basic skills as a significant barrier to employment for the most disadvantaged.<sup>255</sup> Sadly, these challenges remain today, with the OECD highlighting in 2020 that an estimated nine million adults in England have low basic skills, of which four million are not in work.<sup>256</sup>

Individual resilience begins with the most basic skills that are essential for navigating daily life. Being able to read, write, use basic maths as well as cook and understand health and wellbeing are all basic skills that people depend on every day. Throughout the course of its inquiry, the Commission has identified a significant minority of people across the UK who lack all or at least one of the basic skills outlined above.

British Businesses report a widespread skills shortage with a survey for the *Times Education Commission* finding that 35 per cent have basic skills (literacy and numeracy) shortages in their organisation. It also found that there is a pronounced skills gap between UK regions with 65 per cent of adults in the North East and West Midlands lacking basic numeracy skills.<sup>257</sup>

According to the National Literacy Trust, 16.4 per cent of adults in England, 7.1 million people, are functionally illiterate meaning they are unable to read and understand information from unfamiliar sources, or on unfamiliar topics.<sup>258</sup> In Scotland, one in four adults experience challenges due to lack of literacy, and in Wales one in eight lack basic skills. In Northern Ireland this rises to one in five being classed as having very poor literacy.<sup>259</sup> Whilst there has been significant progress made in child literacy, with England’s nine and ten year olds rising to fourth best in the world,<sup>260</sup> there is still significant room for improvement to ensure every person across the whole UK has the necessary literacy abilities.

The Commission has visited charities across the UK who are providing life changing support to individuals who lack basic skills, such as literacy, numeracy and even cooking. This issue particularly impacts the most disadvantaged. A 2015 study that analysed responses to the National Diet and Nutrition Survey found that those in the lowest social-economic group were least likely to report confidence in cooking skills.<sup>261</sup>

255 CSJ, *Breakthrough Britain: Ending the Cost of Social Breakdown*, July 2007

256 OECD, *Raising the Basic Skills of Workers in England*, United Kingdom, 2020, p. 3

257 The Times, PwC and The Times Education Commission, *Third of Firms Say Workers Lack Basic Skills*, April 28, 2022

258 National Literacy Trust, *Adult Literacy*, n.d. Accessed: [literacytrust.org.uk/parents-and-families/adult-literacy/](https://literacytrust.org.uk/parents-and-families/adult-literacy/)

259 Ibid

260 The Guardian, *Reading Ability in England Decreased Marginally Over the Pandemic Period Compared with Other High-Scoring Countries*, 2021

261 Adams, J., et al., *Prevalence and Socio-Demographic Correlates of Cooking Skills in UK Adults*, August 2015

The Commission heard experiences that reflected these findings when visiting frontline charities across the country. In the Welsh Valleys, Llanhilleth Miners Institute told the Commission: *“You do see some really kind of breath-taking things, people who haven’t peeled a potato or chopped an onion and what’s striking is when that’s adults, you realise that they have never seen anyone when they were kids chopping an onion in front of them or using a tin-opener or whatever.”*

As well as cooking, a lack of basic skills such as telling the time, changing bedsheets or ironing have been reported by national media. In March 2023, Good Morning Britain broadcasted on a 2000-person survey from waste removal firm Clearitwaste, showing that one in six people struggled to tell the time on an analogue clock. A further 41 per cent said they struggled to change a duvet cover.<sup>262</sup>

A lack of basic skills does not just limit opportunities and quality of life for an individual but can also open the door for abuse. Charities told the Commission how often it is people who lack basic skills that are most vulnerable to exploitation. For example, Rush House in Rotherham told the Commission about the exploitation their service users face at the hands of unscrupulous landlords who take advantage of vulnerable young people who do not yet have the skills to navigate the process of renting.

Throughout the Commission’s consultations with grassroots charities and lived experience panels, it was made clear that the challenges of low basic skills were often intergenerational and young people found it difficult to acquire these skills unless they were modelled to them by their parents. Without the building blocks of reading, writing, numeracy and domesticity taught from an early age, it was difficult for young people to build the necessary basic skills for individual resilience.

In addressing these challenges, it is important to build resilience, rather than dependence. For example, Llanhilleth Miners Institute in the Welsh Valleys, after recognising their communities need, decided to evolve the traditional Food Bank model.

*“Instead of giving them [service users] food we actually provide them with a meal for a family and teach them how to cook it... this is a new and better model ...cooking skills are really patchy...people know how to bake but not cook real wholesome meals...We have batches of 15 people and we take them on a course over six weeks...Confidence [and] knowing where to look is what holds people back from learning how to cook.”*

*“If it’s the difference between someone getting here and doing a level two certificate in food safety and it’s the first thing they’ve done since school, they didn’t do any GCSEs, then I’ve got business insurance in my car, I’ll be picking that woman up and bringing her here in the morning.”*

**Charity Leader, Llanhilleth Miners Institute, Welsh Valleys**

From this model of building basic skills the Institute is seeing improvements in people’s resilience and autonomy.

262 ITV, 1 In 6 People Can’t Tell the Time, According to Research, 16 March 2023. Accessed: [www.itv.com/thismorning/articles/1-in-6-people-cant-tell-the-time-according-to-research](http://www.itv.com/thismorning/articles/1-in-6-people-cant-tell-the-time-according-to-research)

## Case Study: Llanhilleth Miners Institute, Welsh Valleys

Llanhilleth Miners Institute is a social enterprise and charity, located within an ex-mining community, built by and for the miners and their families in 1906, as a place of recreation, education, leisure and culture. It remains a vital hub serving the needs of the whole community.

Llanhilleth has very high levels of unemployment and low educational attainment amongst adults, many of whom experience very poor literacy - educationally Llanhilleth is in the 10 per cent worst areas of Wales. There are high levels of children living in workless households, family poverty and associated complex family needs including poor health outcomes (cancer, heart disease, mental health and obesity) having the highest mortality rates in Wales for both men and women.

Following successful pilots, they are now delivering a holistic package of support, unique within Blaenau Gwent, addressing local unmet needs and building individual resilience.

The 'Clwb Llan' child development programme engages with over 280 children a year - It has now been expanded to include weekly activities for babies and parents, pre-nursery sessions for 3-year-olds, regular family cookery/sport and craft activities so parents gain parenting skills and confidence. Llanhilleth village primary school has seen a significant rise in children on the CPR and with additional learning and behavioural needs – the Institute are offering a course of play therapy sessions to the most impacted children.

Their adult literacy programme 'Readability' provides one-to-one tuition to adults focussing on their personal interests and aspirations.

Nichola: *"It's not just about reading; it's about helping you with something you're struggling with. We speak about things and research things. It's confidential and it makes you feel like you can trust the person."*

The volunteering programme supports local people out of social isolation and, often, into work with mentoring, skills development, and work experience. They engage volunteers in the child, hospitality, and Heritage Bakery activities.

Daniella: *"I now meet more new people; I'm going out more and I'm interacting with others. I am not so fearful anymore."*

The Institute's Food Hub teaches adults, youths, and families to cook from scratch with fresh ingredients at lower costs. They also run a free 'Slow Cooker' Club and a 'Cook Fresh' Club where people contribute a small weekly amount and receive ingredients for a family meal and cooking instructions. They provide free food for struggling families.

Annette: *"The recipes were economical and are great for people on a budget too. I have been able to freeze my leftovers and have also been able to share with my friends and neighbours and they loved the food."*

The Budget Cookery course 'Numbercrunch' introduces people to numeracy concepts, useful in daily life, alongside the cooking. This helps to identify candidates for the Institute's one-to-one numeracy sessions 'Numberwise'.

Gareth: *"I have learnt and developed my cooking and budgeting skills a lot during this course, and I will take this to help me day to day with making cheaper, more affordable meals."*

They receive external referrals on to programmes and also refer people externally for support, but the Institute also cross refers internally between programmes where this will help.

The Institute aims to engage positively and incrementally with each person, capitalising on their existing capabilities.

Without the foundational abilities of literacy numeracy or basic life skills the barriers to employment and social opportunities remain large.

## Digital Skills

A lack of digital skills in 2023 is a severe problem for many people and is a pathway to limited individual resilience. Many of these people the Commission has spoken to have found themselves trapped outside of basic services on which they rely. The COVID-19 pandemic was a catalyst for further exclusion with many people unable to access the services they had been reliant on as the services moved online.

CSJ analysis has shown that 11 per cent of UK households cannot access the internet at home which rises to 42 per cent of those on low incomes. Individuals with limited digital skills are far more likely to be in low-income jobs. 22.1 per cent of working age people without access to the internet at home are unemployed, compared to 3.8 per cent nationally.<sup>263</sup>

At the Big Listen Midlands, Falcon Support Services told the Commission: *“Digital exclusion is a huge deal. The world went online during covid, but their clients did not go online”*. In Sheffield, the Link Community Hub said similar: *“Accessing anything is so much more difficult now, you’re stuck on hold for hours...If you’re a person that doesn’t have phone credit, it can cost you a fortune...really poor people won’t have credit on their phones, they don’t have internet to make an appointment.”*

A significant proportion of the adult population have limited digital capability, with 35 per cent of the population – equivalent to 18.2 million – deemed to have very low or low digital skills.<sup>264</sup> Participants in a Commission focus group said that they had limited experience using the internet and used it mostly to complete their Universal Credit Work Journals and to engage with homelessness services. They told us that they wanted to become more digitally literate so that they could engage more actively once the immediate issues they faced were resolved. They saw the internet as a route to engage with culture, such as emails and social media, and find work.<sup>265</sup>

With knowledge of online processes required for acquiring a job, accessing public services and understanding the opportunities available online, lacking the basic digital skills to navigate the internet can provide a hinderance to progressing in life. Charities told the Commission of the impact that not being able to access online services to book appointments, contact a GP or bid for housing, has on vulnerable people. This was an issue exacerbated by the COVID-19 pandemic, where certain people who relied on face-to-face services became quickly isolated. Although many services pivoted to remote delivery, knowing what was available often required online access precluding those who didn’t have those basic skills or provision. Financial Lives Survey found that 34 per cent of people provided help to a digitally excluded friend during the pandemic.<sup>266</sup>

Another factor identified was that even if individuals have some basic digital skills, the confidence to move beyond their normal patterns of use of the internet is challenging due to their lack of confidence. As a result, many consumers used the internet in quite limited ways, meaning they did not take advantage of the full opportunities it offers. One key example of a lack of digital capability compromising engagement with Government services came from focus group attendees who told us that they had received text messages from the Government including a URL. Unfortunately, due to their limited digital skills, they didn’t know what the URL was or what to do with it.<sup>267</sup>

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263 CSJ, Left Out: How to Tackle Digital Exclusion and Reduce the Poverty Premium, August 2023, p. 5

264 Lloyds Bank, 2022 Lloyds Bank Consumer Digital Index, November 2022, p. 9

265 CSJ, Left Out: How to Tackle Digital Exclusion and Reduce the Poverty Premium, August 2023, p. 21

266 Financial Conduct Authority, Financial Lives Survey 2020, February 2021

267 CSJ, Left Out: How to Tackle Digital Exclusion and Reduce the Poverty Premium, August 2023, p. 21

Although some aspects of digital exclusion are circumstantial with genuine barriers of skills, capability and cost all prohibiting engagement, a certain extent is also self-exclusion, with individuals unwilling to learn the skills required for inclusion in the digital world and exhibiting a resistance to change. Research by the Industrial Strategy Council suggested that by 2030, the UK's biggest skills gap will be basic digital capability. The FutureDotNow report said 32 per cent of UK workers with at least a foundational level of digital skills can't use digital systems, such as expenses or budgets systems, to manage digital records or financial accounts.<sup>268</sup>

## Family

Family is immeasurably important in providing security and belonging for individuals to weather the storms of life. Analysis from the CSJ has found that those who experience family breakdown are 2.3 times more likely to experience homelessness, 1.7 times more likely to experience mental health issues and 1.6 times more likely to experience debt.<sup>269</sup> Over eight in ten British adults say that stronger families are important in addressing Britain's social problems and nearly seven in ten divorcees agree that family breakdown is a serious problem and more should be done to prevent families from breaking up.<sup>270</sup> There is a clear recognition that families are important, and an understanding that when family breakdown occurs, lots of other problems can follow.

One subsection of families who face multiple challenges are young carers. The Children's Society say that there are 800,000 young carers today in England. 27 per cent aged 11-15 miss school and they often face difficult family situations.<sup>271</sup> The Commission was told by a focus group participant at the Moses Project in Stockton-on-Tees, about when young caring responsibilities became too much to handle.

*"I barely went to school, I was given a pile of schoolwork to do as well as heavy caring, began on weed to escape...so as an 11-year-old I was dealing with care for my parents, I was dealing with medications, I was dealing with housing mortgages and benefits. I was doing the shop and paying the bills, an 11-year-old shouldn't be doing that...as a 16-year-old, before I even left school, I was a full-blown heroin addict, drinking a bottle of whiskey a night and smoking crack."*

**Service User, Moses Project, Stockton-on-Tees**

Despite his challenges, through the work of the Moses Project in Stockton-on-Tees, this man had found relief and help through an organisation which gave practical family like care, support with education, help to work and who signposted to safe and secure rehabilitative accommodation.

268 Computer Weekly, Millions of UK Workers Lack Digital Workplace Skills, Says Futuredotnow, 1 June 2022

269 CSJ, Why Family Matters, March 2019, p. 5

270 Ibid, p. 6

271 The Children's Society, Young Carer Facts, n.d. Accessed: [www.childrenssociety.org.uk/what-we-do/our-work/supporting-young-carers/facts-about-young-carers](http://www.childrenssociety.org.uk/what-we-do/our-work/supporting-young-carers/facts-about-young-carers)



## Networks of Support

Not everyone is able to draw on positive family relationships. Many people the Commission spoke to were or had been trapped in relationships that encouraged criminal or unhelpful behaviour. Even for those with strong family relationships, their family may be unable to support due to distance, age or a health condition. Another core protective factor is the ability to rely on a network of support in times of trouble. Often these are not professionals who are paid to be there, but community members, neighbours, friends, clubs and societies, religious affiliations and local charities.

In 2021/22, Government analysis found that 96 per cent of people agreed that there is at least one person who they could really count on to listen to them when they needed to talk. 92 per cent agreed that if they wanted company or to socialise there are people they could call.<sup>272</sup> Despite the majority of the population able to reach out to friends, family and neighbours when needed, there is a significant minority for whom there is no one to communicate to when they need to socialise, and a smaller minority for whom there is no one they can count on in moments of real need.

Loneliness is not spread equally across the population. Age UK say that 1.4 million older people in the UK are often lonely. The impact of the COVID-19 lockdown was a catalyst for loneliness problems in communities, especially for those older people living in care homes unable to see friends and family for months after restrictions had eased for others.<sup>273</sup>

The best small charities provide critical networks of support, helping the most vulnerable build these protective relationships. At the Commission's Big Listen Yorkshire, a charity leader from Netherton Community Centre said: *"There is an 85-year-old woman on the street, when there is a teenager down the street who is having murder [an argument] with his mum he goes and has a cup of tea with the 85-year-old in the garden to calm down and process. We can't always be thinking it is professionals, or people who want to feel good about themselves, [who help] its actually your neighbours."*

Analysis from the CSJ has found that the fourth most important factor to people in their community was "people looking out for and helping each other, even if they don't know each other well." 9th was the "feeling that people in my area would help me if I was going through a tough time."<sup>274</sup>

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272 Department for Culture, Media & Sport, Community Life Survey 2021/22: Identity and Social Networks, May 2023

273 Age UK, Same as It Ever Was, December 2021

274 CSJ, Pillars of Community, June 2021, p. 23



**POLICE**

**UNSAFE  
STREETS**

# Unsafe Streets

## Crime in England and Wales

*“Teesside... its lawless. There is no police in here. There are no laws or rules here, you just do what you want. They can come here and get away with whatever...There’s no police in here. There is no laws or rules.” [sic]*

Clean Slate Solutions, Teesside

*“It’s constant, kids are smashing people’s windows and pinching cars, they’re like 12, 13 years old...it’s really bad, where I live.”*

Female, South Shields

As the Commission travelled the country speaking to those who lived in some of the most left behind communities, the prevalence of crime in their neighbourhoods, and the far-reaching impacts, were frequently mentioned as one of the most pressing issues holding them back. The Commission spoke to individuals who felt their communities were being held back by the proliferation of both low-level crime such as anti-social behaviour, littering and graffiti, and violent crime which was often linked to the consumption or dealing of drugs. Some community members said they feel their neighbourhoods are effectively lawless, with very little police enforcement.

Frequent, unresolved crime detrimentally impacts local communities. Crime effects residents’ ability to move safely around their area, their propensity to feel invested and inspired by their surroundings and the perception of opportunity for young people. Crime is a harm in its own right, but also has a cyclical impact on poverty, deterring investment which in turn impacts job opportunities and prospects. The Commission heard how communities stuck in a spiral of crime often face multiple other forms of disadvantage. Crime is both a symptom of poverty and a pathway into it.

## Crime is an Issue High on the Public’s Agenda

Cutting crime is a key priority for the public, and while progress has been made in reducing some types of crime, certain communities still see it as a primary issue. In the 2019 General Election crime was the second most pressing issue for British voters after Brexit.<sup>275</sup> Today a third (33 per cent) of Britons think the government needs to spend more on tackling crime.<sup>276</sup> For those in social grade C2, D and E, this rises to 37 per cent.<sup>277</sup> During the Commission’s polling, when asked what the worst

275 YouGov, Crime Now the Second Most Pressing Concern for Brits, April 2019

276 YouGov, What Sector Should the UK Government Spend More On?, August 2023

277 Ibid

thing about living in their area is, both the general public and the most deprived overwhelmingly used the word 'crime' in answer to this question, as depicted in Figure 1.

Figure 1: What is the Worst Thing About Living in Your Area?



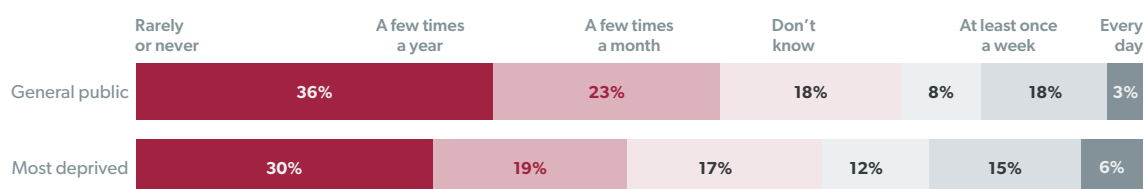
Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

## Crime and the Most Disadvantaged

While anyone can fall victim to crime, it is those at the lower end of the income spectrum who are disproportionately affected by crime and most acutely feel the effects of crime on both their lives and communities.

There is a correlation between deprivation and crime. For example, a study from the European Society of Criminology found a positive correlation between levels of deprivation and violent crime in England.<sup>278</sup> 21 per cent of those living in the lowest decile for deprivation said they had stopped leaving home alone in the day as a result of feeling unsafe compared to only eight per cent for those in the highest decile.<sup>279</sup> 18 per cent of those in the lowest decile for deprivation said they had been insulted or shouted at by a stranger in public in the last 12 months, compared to just ten per cent from the least deprived decile.<sup>280</sup> The Commission's polling found that for the most deprived communities, crime or Anti-Social Behaviour (ASB) is witnessed twice as much per day compared with the general public, as seen in Figure 2.

*Figure 2: How Regularly does the General Public and Most Deprived see Crime or ASB*



Source: Original Polling Conducted by JL Partners for The Centre for Social Justice of 6,000 Adults Nat Rep Between 25th August 2023 and 2nd October 2023

The Government's own analysis has found that demographics and personal circumstances are associated with experiencing certain types of crime and ASB. Those living in the most deprived areas of the country are more likely to have experienced or witnessed ASB in the last 12 months compared to less deprived areas.<sup>281</sup> Analysis of knife crime victims found that they were more likely to come from an area with more deprivation as measured by the Index of Multiple Deprivation and 'poorer socio-economic status in multiple domains.'<sup>282</sup> Violence is also disproportionately experienced by those who are disabled. People with limiting disabilities are almost three and half times more likely to suffer serious violence (classified as violence with injury) than adults without a limiting disability.<sup>283</sup>

278 Lightowlers, C., Pina-Sanchez, J., McLaughlin, F., The Role of Deprivation and Alcohol Availability in Shaping Trends in Violent Crime, August 2021

279 Office for National Statistics (ONS), Perceptions of Personal Safety and Experiences of Harassment, Great Britain, May 2022

280 Ibid

281 Home Office, Anti-Social Behaviour: Impacts on Individuals and Local Communities, March 2023

282 Reily, J., Naumann, D., Morris, L., Blackburn, L., Brooks, A., Injury by Knife Crime Amongst Children is Associated with Socioeconomic Deprivation: An Observational Study, November 2022, p. 7

283 Rossetti, P, Dinisman, T, Moroz, A., Insight Report: An Easy Target?, Victim Support, p. 3

In London, the disproportional impact of crime on the most disadvantaged is clear. Trust for London conducted an analysis of crime by neighbourhood income deprivation decile in the capital and found that 52 per cent more crimes were recorded in the most income-deprived areas in 2022.<sup>284</sup> Crimes with greater harmful effects associated with them were also more prevalent in the most disadvantaged areas. For example, violence, robbery, and sexual offence were 2.1 times more common in the poorest decile of areas, compared to the richest.<sup>285</sup> This is reflected in hospital admissions. The poorest fifth have hospital admission rates for violence five times higher than the most affluent fifth.<sup>286</sup> CSJ polling in 2018 has found that more than one in ten Londoners (12 per cent) say they know someone who regularly carries a knife or other weapon and 9 per cent said they had considered carrying a knife or other weapon in the 12 months up to the survey.<sup>287</sup>

The poorest communities also experienced less of the 'crime reduction effect' that happened during the COVID-19 pandemic, especially during the first lockdown from March to June 2020. Crime in the most deprived places saw a reduction in crime of just one per cent, compared to 13 per cent in the least deprived neighbourhoods<sup>288</sup>

The perception of high levels of crime in an area negatively impacts residents' ability to aspire for change for themselves or their communities. This means the experience of crime is often cyclical. Areas of higher deprivation typically correlate with higher levels of crime, but higher levels of crime also drive deprivation. One example of this was raised in a Commission focus group with inhabitants in areas of high deprivation remarking that those leaving prison are directed to deprived areas, due to the low costs of housing. One focus group respondent living in an area in the bottom decile of both overall deprivation and crime, as calculated by the English Indices of Deprivation,<sup>289</sup> said: "A lot of people, when they come out of jail, come down here. We get a lot of paedophiles, I know a few... they come out of jail...we get all the riffraff." Although this is perception, it highlights the feeling in more disadvantaged areas that crime and deprivation coincide with each other. Residents across all focus groups also connected crime with other factors that made their area undesirable such as high levels of rough sleeping and alcoholism.

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284 Trust for London, *Crimes Recorded by Neighbourhood Income Deprivation Decile in London, 2022*

285 Ibid

286 NHS, *Protecting People Promoting Health*, October 2012, p. 7

287 The Centre for Social Justice (CSJ), *It can be Stopped*, August 2018, p. 62

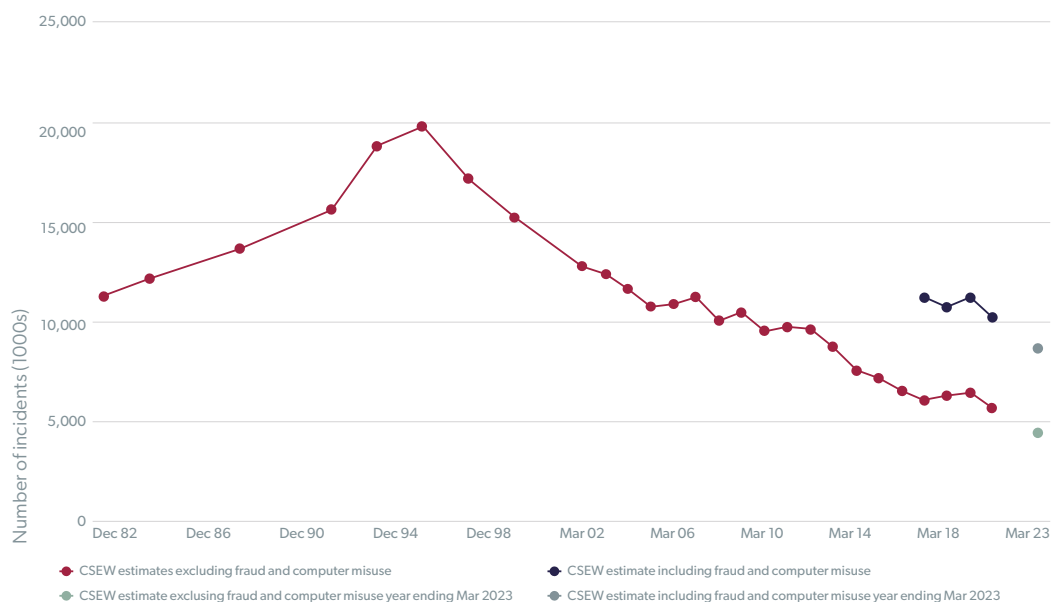
288 Ibid

289 Ministry of Housing, Communities & Local Government, *English Indices of Deprivation*, September 2019

## Overall Crime Trends

Overall crime has followed a general downward trend from a peak in 1995.<sup>290</sup> In 2004 there were 11.6 million incidents of crime experienced each year, by 2023 this has reduced to 8.4 million offences, including fraud and computer misuse, a 27 per cent decrease.

Figure 3: Crime Estimates, England and Wales, 1982 to 2023



Source: ONS, CSJ analysis of 'Crime in England and Wales'

### Complexities in recording crime data

Recording crime statistics is complex and opinion is split on the most reliable data source to best understand the true nature of crime across the country, meaning the true nature of crime across the UK can be difficult to interpret.

The prevalence of crime is recorded primarily using two data sources. One, the Crime Survey for England and Wales (CSEW), which uses a sample of the population and includes unreported crimes. Two, Police Recorded Crime, which is a full count of notifiable crimes reported to and recorded by the police.

The ONS say that the CSEW is the most reliable indicator for long-term trends, particularly for common crimes. However, as the sample size for the CSEW is relatively small, short-term trends in less frequent but more harmful types of crime (such as homicide, grievous bodily harm, or firearms offences) are more difficult to detect. For crimes that are well reported and accurately recorded, police recorded crime can provide a good picture of the volume of types of crime. Other data sources can be used to paint a picture of crime across the country. For example, knife crime is well-recorded due to NHS data on admissions for stabbings.

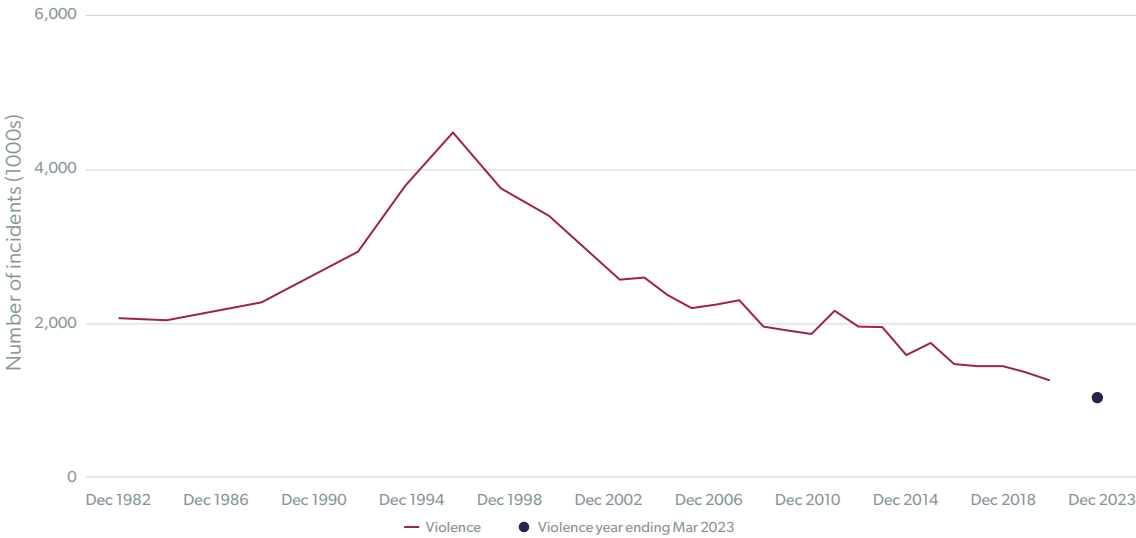
What is clear from the Commission's research is that crime remains a primary concern for the most disadvantaged communities.

<sup>290</sup> ONS, Crime in England and Wales: Year Ending September 2022, January 2023

# Violent Crime

Data from the CSEW, as per Figure 4, shows a gradual decline in violent crime, which follows the downward trend of a reduction in all types of crime.

Figure 4: Prevalence of Violent Crimes, 1982 to 2023



Source: Crime Survey for England and Wales and Telephone-operated Crime Survey for England and Wales

However, the methodology of record keeping used in the CSEW suggests that for violent crime, police recorded crime is a more accurate measure. The highly concentrated subset of serious violent offences such as homicide, gun crime or knife crime (half of all knife crime occurs in London) are not well recorded by the CSEW.<sup>291</sup> Furthermore, the ONS has stated that CSEW estimates for 2022/23 are not of rigorous enough quality to be considered national statistics.<sup>292</sup>

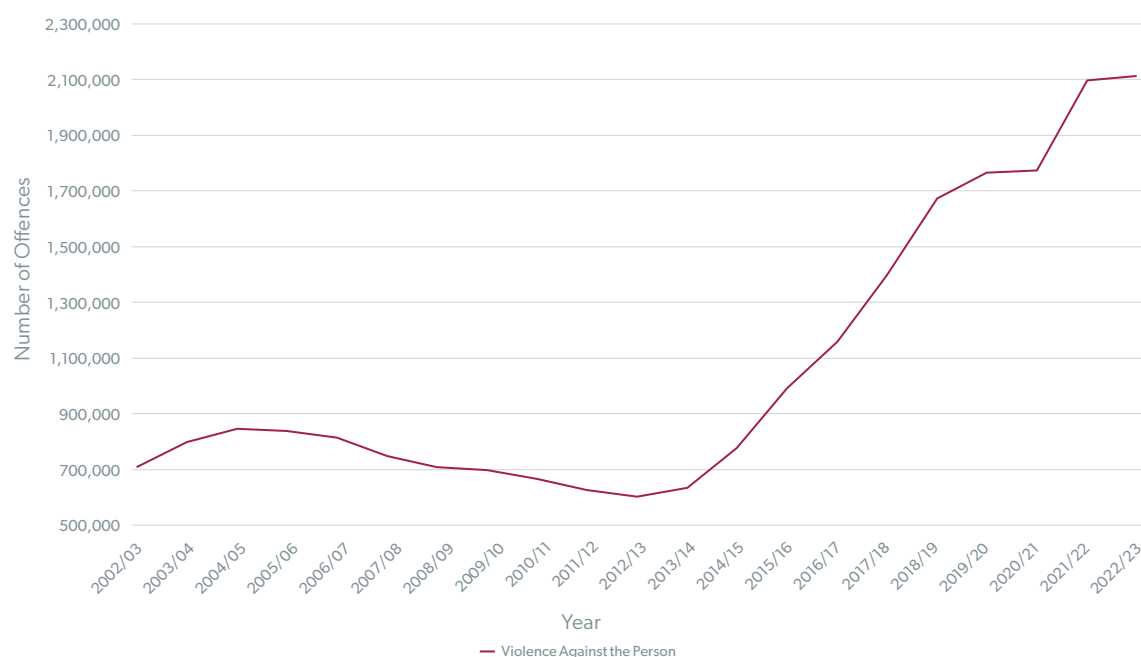
As a result, there is a need to look at other data sources to get a picture of violent crime across the UK. When analysing police recorded violent crime, as shown in Figure 5, since 2013/14, violent crime has been rising rapidly.

291 Tony Blair institute for Global Change, What's Happening to Crime In The UK?, July 2018

292 ONS, Crime in England and Wales: Year Ending March 2023, July 2023



Figure 5: Police Recorded Violent Crime, 2002/03 to 2022/23



Source: Home Office, CSJ analysis of 'Police recorded crime and outcomes open data tables'

Note: The ONS explain some of the large increase in police recorded crime as being due to improvements being made to police identification and recording techniques

As Figure 5 shows, police recorded violent crime was falling to a nadir in 2012/13 where recorded incidents were at 601,141. Since this point there has been a very large increase in police recorded violent crime incidents rising to 2.1 million in 2022/23. Whilst recorded incidents levelled out during the pandemic, they have continued their upward trend since 2020/21. Since incidents began to rise from 2012/13 there has been a 250 per cent increase in violent crime to 2022/23.

Police recorded crime concerning a knife or sharp instrument has also increased in recent years. Figure 5 shows a low of 28,289 recorded offences in 2013/14. This peaked during the COVID-19 pandemic to a high in 2019/20 and is now at 50,489 in 2022/23. The ONS has identified that a knife was the method of killing in 39 per cent of all homicides in 2022/23.<sup>293</sup>

293 Ibid

Figure 6: Violent and Sexual Offences Involving a Knife or Sharp Instrument, England and Wales, 2010 to 2023



Source: Home Office, CSJ analysis of 'Police recorded crime and outcomes open data tables'

Across the course of its inquiry, the Commission heard about the reality of knife crime and its long-term impact on victims and offenders. Young focus group respondents spoke of the normalcy of young people carrying knives. A service user at Clean Slate Solutions in Middlesbrough told us, *“I’ve been in their school to do knife crime week with Cleveland Police and half [of the kids] say: ‘I carry a knife for protection.’”*

Taking into consideration NHS hospital data, in the year 2022/23, about 91 per cent of those admitted to hospital for assault by a sharp object were male.<sup>294</sup> Whilst a significant proportion of knife crime takes place in domestic situations, the number of young males falling victim to knife crime is rising, which is considered as a result of gang-related crime.<sup>295</sup>

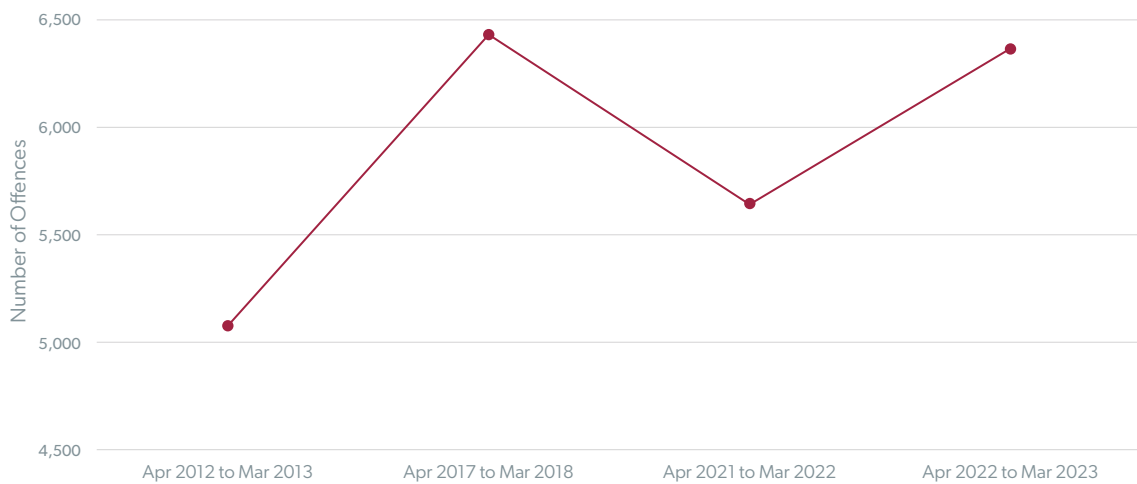
Similarly, offences involving a firearm have been on the rise. There was a 38 per cent increase in the number of police recorded firearms offences between 2014/15 and 2018/19.<sup>296</sup> Whilst dropping during the COVID-19 pandemic, crime involving firearms has risen to similar levels to before the pandemic.

294 House of Commons Library, Knife Crime Statistics: England and Wales, October 2023

295 HM Inspectorate of Probation, Promising Approaches to Knife Crime: An Exploratory Study, May 2022

296 National Crime Agency, Annual Plan 2020-2021, p. 8

Figure 7: Number of Police Recorded Offences Involving a Firearm, England and Wales



Source: Home Office, CSJ analysis of 'Police recorded crime and outcomes open data tables'

Homicide rates are also rising and can be considered over a longer period of time, due to better recording. However, due to the low rates overall of homicide, certain shocks can influence trends. The peak in Figure 8 in the mid-noughties can be explained by the 173 victims of Harold Shipman, as well as the 52 victims of the July 7th London bombings. The current peak represents the highest number of homicides since March 2008, at 677 separate homicide incidents,<sup>297</sup> demonstrating that homicide since the COVID-19 pandemic is on the rise without any significant explanations for the peak.

Figure 8: Homicide Rate in England and Wales, December 1970 to March 2022



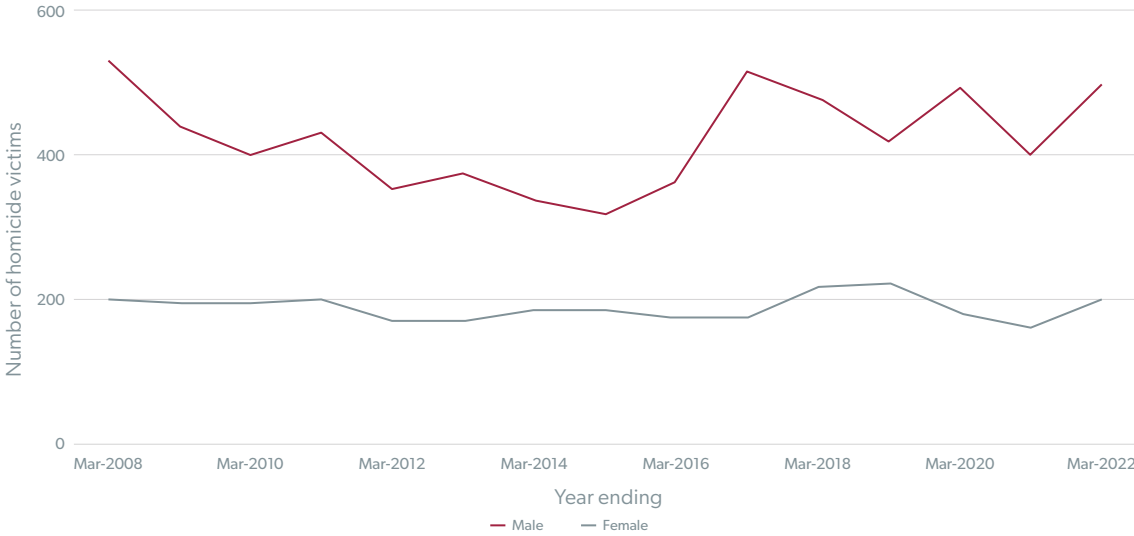
Source: Office for National Statistics, Home Office Homicide Index

297 Office for National Statistics, Homicides in England and Wales: Year Ending March 2022, February 2023

Those from more deprived areas have a higher chance of being a victim of homicide. The average homicide rate per population in the ten per cent most deprived areas is about seven times greater than the rate in the ten per cent least deprived.<sup>298</sup>

The number of homicides is consistently higher for males than females, as demonstrated in Figure 9. In the year ending March 2022, 72 per cent of homicide victims were male. Similarly, in 91 per cent of cases where the victim is male, a male suspect has been charged and in 95 per cent of cases where the victim is female, a male suspect has been charged, demonstrating the higher proportion of males involved in homicides. In the same year, 18 per cent of homicide victims were aged between 16 and 24.<sup>299</sup>

Figure 9: Homicide Victims by Sex in England and Wales, March 2008 to March 2022



Source: Office for National Statistics, Home Office Homicide Index

Police recorded violent crime, as well as recent homicide data, paints a concerning picture of violent crime across the UK's most disadvantaged communities.

### Crime and the Pandemic

New challenges were raised by the COVID-19 pandemic which reshaped the nature of crime during successive lockdowns and altered crime trends. During the initial weeks of the COVID-19 lockdowns, reported crime fell across many categories (particularly theft and burglary).<sup>300</sup> The CSEW couldn't be carried out to its full extent over the lockdown period meaning there is a gap in the recorded data. Despite this, certain types of crime, such as arrests for dealing of drugs were easier to make during the first weeks of lockdown, given there were less people on the streets.<sup>301</sup>

298 Home Office, Trends and Drivers of Homicide, March 2020, p. 10  
 299 ONS, Homicides in England and Wales: Year Ending March 2022, February 2023  
 300 ONS, Understanding The Impact Of The Pandemic On Levels Of Crime In England And Wales, 4 November 2021  
 301 Sky News, Coronavirus: Far More Drug Dealers Arrested During COVID 19 Lockdown, 19 April 2020

The initial drop in crime has generally been followed by a return towards previous incidence levels once lockdowns ended.<sup>302</sup> Overall total recorded crimes increased<sup>303</sup> and telephone CSEW data found an increase of 12 per cent from the previous year.<sup>304</sup> Sexual offences recorded by the police increased 22 per cent from the year ending March 2020 returning to pre-COVID-19 pandemic levels.<sup>305</sup> Certain types of crime offences increased and did not drop to pre-pandemic levels, with fraud increasing by 32 per cent in the year ending June 2021.<sup>306</sup> Some crime statistics were particularly skewed by the additional laws brought in as a response to the COVID-19 lockdowns, breaches of which were initially classed as Anti-Social Behaviour offences, which following the COVID-19 pandemic dropped 35 per cent between September 2021 and September 2022.<sup>307</sup>

The National County Lines Coordination Centre has seen a 33 per cent rise in cuckooed addresses due to hotels and other commercial and private rental accommodation closing.<sup>308</sup> Reports of domestic abuse rose national help lines reported a significant increase in calls – the National Domestic Abuse Hotline saw a spike of 65 per cent,<sup>309</sup> and calls to Refuge initially rose by 700 per cent.<sup>310</sup> Between April and December 2020, the average daily calls to the NSPCC more than doubled, reflecting the huge increase in the number of children affected.<sup>311</sup>

## Drug Related Crime

*“We’ve got slashes on our faces from drugs.”*

Male, Moses Project, Stockton-on-Tees

*“Drugs is our biggest problem.”*

Focus Group Respondent, Plymouth

*“I would have died if it wasn’t for rehab, there were a lot of murders last summer.”*

Male, Moses Project, Stockton-on-Tees

*“This is because they haven’t got jobs I suppose, they sell drugs, they make money, then they don’t have to go to work.”*

— Focus Group Respondent, Jaywick

302 ONS, Crime in England and Wales: Year Ending June 2021, 4 November 2021

303 ONS, Crime in England and Wales: Year Ending December 2022, 27 April 2023

304 ONS, Crime in England and Wales: Year Ending June 2021, 4 November 2021

305 ONS, Understanding the Impact of The Pandemic on Levels of Crime in England and Wales, 4 November 2021

306 Ibid

307 ONS, Crime in England and Wales: Year Ending September 2022, 26 January 2023

308 Public Health England, County Lines Exploitation: Applying All Our Health, 12 February 2021

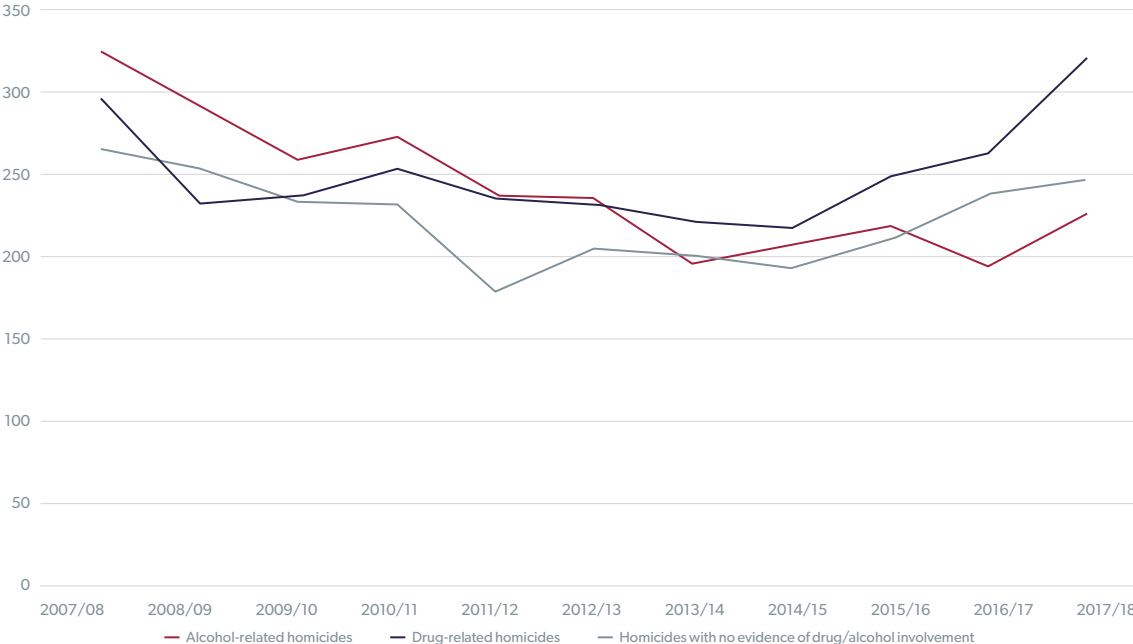
309 House of Commons Library, Domestic Abuse and Covid-19: A Year into the Pandemic, 11 May 2021

310 Refuge, Refuge’s National Domestic Abuse Helpline Service Review 2020/21. Accessed: [refuge.org.uk/wp-content/uploads/2021/03/Refuge-Covid-Service-Report.pdf](https://refuge.org.uk/wp-content/uploads/2021/03/Refuge-Covid-Service-Report.pdf)

311 NSPCC, Calls to NSPCC about Children Living in Violent Homes Rise by over 50 per cent, We Urge Government to Support All Children, 25 January 2021

A key finding of the Commission’s inquiry into the state of crime has been the close overlap between the illegal drugs trade and crime. The Government’s own analysis of trends and drivers in homicide concludes that there is good evidence that the illicit drug markets drive serious violence and that illicit drugs have been an important factor in driving the sharp increases in homicide trends.<sup>312</sup> The strongest evidence comes from the recent homicide rise between years ending March 2015 and 2018, with drug-related homicides explaining more than half the overall increase in homicide between these years.<sup>313</sup> Figure 10 shows that drug related homicides increased most quickly from 2014/15 to 2017/18.

Figure 10: Alcohol-Related and Drug-Related Homicides, England and Wales, 2007/08 – 2017/18



Source: Home Office, *Trends and Drivers of Homicide*, March 2020

A UK study that interviewed 80 convicted firearms offenders, concluded that “illegal drugs markets represent the single most important theme in relation to the use of illegal firearms” and identified illegal drugs as the golden thread that ran through all the interviews they conducted.<sup>314</sup> The primary mechanism for this effect is likely due to the illicit nature of the market meaning those within its circles cannot appeal to the normal rule of law for protection or resolution and so violence is relied upon to resolve inter-gang and personal grievances.

Home Office analysis established a strong correlation between homicide and the number of new users of crack cocaine, which increased to a peak in the early 2000s, then fell sharply before rising again.<sup>315</sup> Cocaine and particularly crack cocaine appear to be more associated with homicide than marijuana or heroin.<sup>316</sup>

312 Home Office, *Trends and Drivers of Homicide*, March 2020, p. 8  
 313 Ibid, p. 5  
 314 Home Office, *Gun Crime: The Market in and Use of Illegal Firearms*, 2006, p. 65  
 315 Home Office, *Trends and Drivers of Homicide*, March 2020, p. 36  
 316 Ibid, p. 35

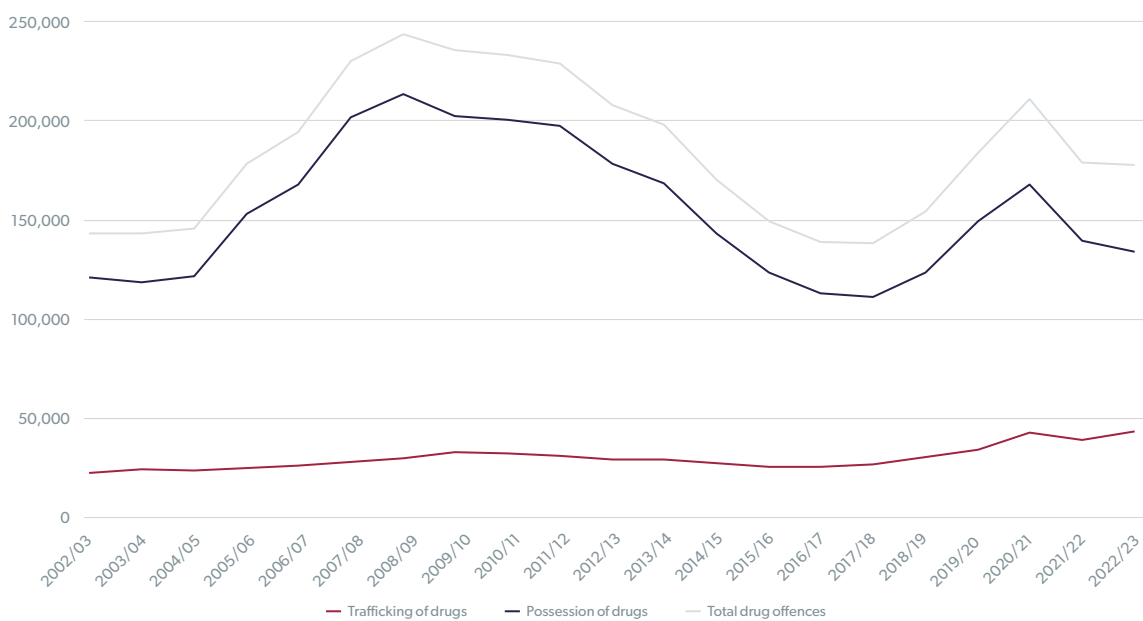
A focus group participant with lived experience of crime told the Commission how children and teenagers are often unaware of the violence that is repeatedly part of drug trafficking and gangs. He told the Commission that more needed to be done to help young people understand the risks of getting involved in drugs trafficking and to provide a way out.

*“Unless you are doing drug awareness courses, violent crime awareness causes, you [children, young people] are missing this all.”*

**Male, Moses Project, Stockton-on-Tees**

While other forms of crime declined during the COVID-19 pandemic, drug related offences rose by 15 per cent from 2019/20 to 2020/21 before falling back again by 16 per cent in 2022/23. As per Figure 11, the increase in offences during the pandemic was following a rising trend beginning in 2017/18. Concerningly, drugs trafficking offences have not fallen and are at their highest level in two decades with 43,765 offences recorded in 2022/23. Arrests for possession of cannabis increased by 16 per cent between 2004 and 2022/23.

Figure 11: Drug Offences, England and Wales, 2002/03 to 2022/23



Source: Home Office, CSJ analysis of ‘Police recorded crime and outcomes open data tables’

The UK’s most disadvantaged communities suffer from larger ratios of drug offences per population compared to the more affluent parts of the country. There are large regional variations in drug offences, ranging from 9.2 per 1,000 population in Merseyside to 1.4 offences per 1,000 individuals in Staffordshire.<sup>317</sup>

317 House of Commons Library, Drug Crime: Statistics for England and Wales, December 2021

There is a clear link between the approximately three million adults who reported drug use in the past year, particularly the 300,000 in England taking the most harmful drugs of opiates or crack cocaine,<sup>318</sup> and violence. Communities frequently reported the prolific nature of drug dealing within their neighbourhoods and some spoke of the blurring of the lines between those who deal and those who buy. They reported that while previously there were designated people who were known to be drug dealers, buying and selling of illegal substances had become an essential part of the local economy, with individuals topping up welfare or income with low-level drug dealing.

*"Benefit payments are paid at 12am. There are many stories of people getting into trouble in the night and drug dealers hold people up at the cash point."*

**Anonymous Charity, Big Listen Yorkshire**

*"The problem with Stockton, it's different to a lot of areas, kids growing up in other areas will say I want to be a footballer, singer, businessman. Kids growing up in Stockton say I want to be a drug dealer because you're going to make money. I'm going to have the nice car, I'm going to have the designer watches."*

**Service User, Moses Project, Stockton-on-Tees**

## Anti-Social Behaviour

Anti-social behaviour (ASB) is a blight on many of the UK's communities. According to the CSEW, 34 per cent of people aged 16 and over experienced a form of ASB in the year ending June 2023, which was a 15 per cent decrease compared with the year ending March 2020,<sup>319</sup> demonstrating a significant reduction following the COVID-19 pandemic.

Whilst violent crime will make headlines, petty crime and ASB also have a compounding impact on disadvantaged communities, contributing to a downward spiral where low pride in an area can fuel further instances of ASB and petty crime.

ASB is particularly wearing when committed by neighbours, impacted the quality of life in your own home. For some this issue was exacerbated by the pandemic, when it was difficult to leave the home, as demonstrated below.

*"Financially we were fine, but the mental impact was outstanding. I ended up after the first week of lockdown having a massive panic attack to the point, I was given medicine that put me in hospital. I had to find childcare for my son, which my friend was able to do, within the rules that were there. And obviously the mental impact on my son, we didn't have a big garden and had unsociable neighbours who flouted all the rules. They were in the house blasting music and we couldn't go anywhere. Their kids put on masks and pretended to be dogs to scare my son, it took him months to get used to masks...he was having full scale meltdowns before I could even get anywhere in the shop."*

**Lived Experience Commissioner, North Tyne Poverty Truth Commission**

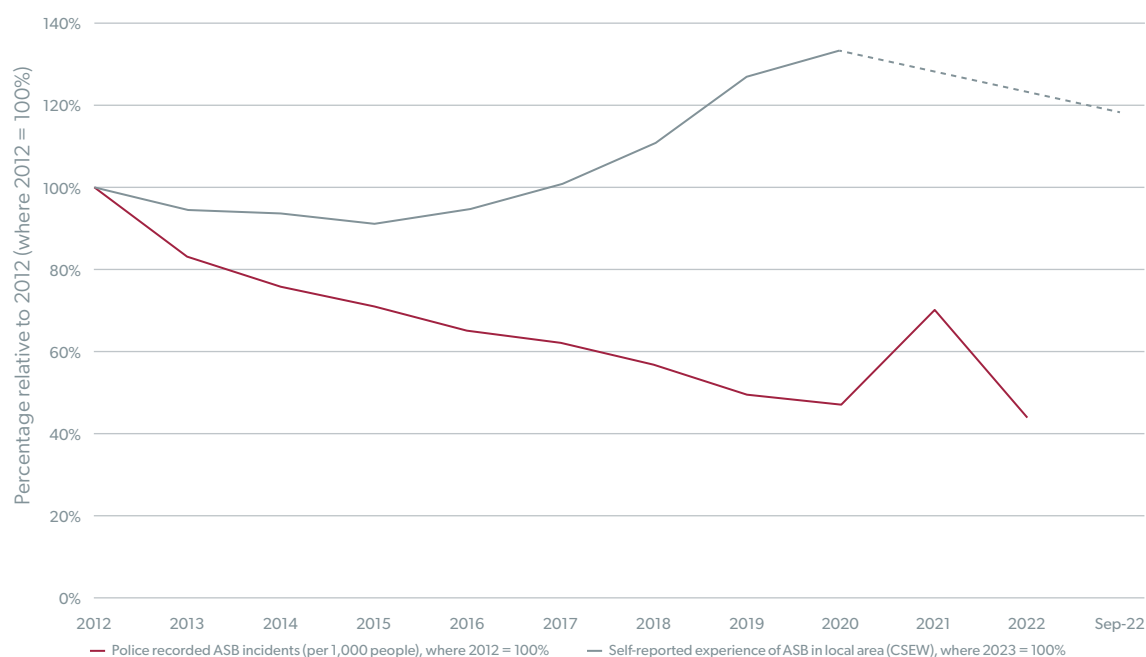
318 ONS, Drug Misuse in England and Wales: Year Ending June 2022, December 2022

319 ONS, Crime in England and Wales: Year Ending June 2023, October 2023



Although police recorded ASB is declining, self-reported ASB is rising,<sup>320</sup> which indicates either the threshold for a police record of ASB has risen or individuals are not reporting incidents they see, perhaps reflecting declining confidence that reports of ASB will be dealt with. The Government's own assessment is that this gap reflects the eroding public trust in those who are there to keep them safe and an undermining of the principle of policing by consent.<sup>321</sup>

Figure 12: Police Recorded Anti-Social Behaviour Incidents and self-reported experience of anti-social behaviour, 2012 – September 2022



Source: Department for Levelling Up, Housing & Communities, *Anti-Social Behaviour Action Plan*, October 2023

The Commission heard from lived experience respondents that often lived in tightknit communities, many of whom felt they could name the perpetrators of ASB, but that the police do not have the evidence to bring a charge. This contributed to a feeling of discontent that the police have abandoned the area. Polling conducted in January 2023 found that 54 per cent of the public do not think that the police take anti-social behaviour seriously enough and 68 per cent believe the police have given up altogether on trying to solve 'low-level' crimes.<sup>322</sup> The consent principle that underpins policing in the UK means the public perception of the police's ability to detect and solve crime and the justice system's ability to punish perpetrators is an important factor. This can exist quite disconnected from the reality of police or judicial conduct. The perception of the police's ability to respond and deal with crime can contribute to a spiral of non-reporting, which can then contribute to criminals seeing an opportunity to operate with impunity.

320 ONS, Crime in England and Wales: Police Force Area Data Tables, 2023; Crime in England and Wales: Other Related Tables, 2023; Crime in England and Wales: Annual Trend and Demographic Tables, 2022

321 The Department for Levelling up, Housing and Communities, *Anti-Social Behaviour Action Plan*, October 2023

322 More in Common, *Where Are the Police? Briton's Attitudes to Crime, Anti-Social Behaviour and The Police*, 2023

## Children in Gangs, Child Criminal Exploitation and County Lines

*"Kids were asked what they wanted from a youth club. The kids said, 'What do you mean?' They had no idea what a youth club was."*

Cumbria Youth Alliance, Big Listen North West

*"It's definitely not ideal for kids going out these days. There's nowhere for them to go, there's nothing!"*

Parent, Key Community, North East

*"There was someone in my year. Me and him played in the school football field. He had so much charisma and interpersonal skill, everyone loved him. He also passed away a couple months ago, not far from where I live. He wasn't someone who was about that life up to year 9, and then in year 10 he started to drift towards getting involved in gangs. I don't know what happened to him after sixth form or what path he chose, but when I heard he had gone it just hit me that I'll never cross paths with him again. I definitely think that gang crime is the biggest challenge for young people." [sic]*

Young Person, London

*"I think that you build a family in football, and also in gang crime. You build a family in the gangs you get drawn into. But when you already have a strong family structure, in football for example, it's harder for other people to get to you, to draw you away into things like knife crime or gang crime, because you have such strong connections with that family that are there for you. It's protection."*

Young Person, London

## Children in Gangs

There are a concerning number of children involved in, or on the periphery of, gangs. Analysis by the Children's Commissioner's Office (CCO) has highlighted that there are 27,000 children in England who identify as a gang member, as well as suggesting there are 313,000 children aged ten to seventeen who know someone they would define as a street gang member.<sup>323</sup> The CCO also found that 34,000 children in England are either in a gang or on the periphery of a gang and have experienced violence in the past 12 months, yet only 6,560 of these children (gang members or associates) are known to children's services or youth offending teams.<sup>324</sup> This means there are more than 27,000 children in England believed to be experiencing gang violence but who are not identified by the authorities.<sup>325</sup>

<sup>323</sup> Children's Commissioner, Keeping Kids Safe, February 2019, p. 6

<sup>324</sup> Ibid

<sup>325</sup> Ibid

## Child Criminal Exploitation through County Lines

The awareness around the child criminal exploitation of children known as county lines, colloquially known as 'going country', has grown significantly since the turn of the century. According to the Home Office, 27,000 young people are involved in county lines with 4,000 teenagers in London alone.<sup>326</sup> While the phenomenon may have begun as early as 1995, with the beginning of the use of mobile phones, the real explosion of the practice happened around 2010.

In 2015 only seven police forces were reporting County Lines activity, but by 2018 all 44 forces reported their presence.<sup>327</sup> In November 2017, the National Crime Agency (NCA) estimated that there were at least 720 County Lines operating in England and Wales. By 2020, this figure was revised upwards to over 2,000, with at least 283 lines originating in London.<sup>328</sup> NCA figures also showed that over 14 per cent of referrals were flagged as county lines in 2020, compared to around 11 per cent in 2019. 90 per cent of English Police forces have seen county lines activity in their area.<sup>329</sup>

The exact numbers of children affected by County Lines is unknown as there is currently no systematic data collection. The NCA have estimated 1,000 different County Lines operate across the country, with the majority operating from London, West Midlands and Merseyside. Each individual line can make £800,000 profit per year, with nationwide profits estimated to be £500 million, although not all county lines include the use of children.<sup>330</sup>

Methods of exploitation and the demographic of victims appears to have shifted. One shift has been in addition to moving children from urban areas to rural or coastal towns, children are also being recruited in rural areas and may be sent across the rural area to deliver drugs, collect payments, and seek out new customers. The Youth Offending Team (YOT) report that previously children exploited through county lines had mainly been known to children's services and the YOTs where they lived.<sup>331</sup> Increasingly now however the YOTs report that children exploited through these lines are being drawn from local children with no previous links to welfare or criminal justice agencies. The Children's Commissioner found gang associated children were 77 per cent more likely to have an identified mental health need than other children assessed by children's services and twice as likely to have a history of self-harm.<sup>332</sup>

An impact of the COVID-19 pandemic has been a greater use of social media (including Snapchat, Instagram and TikTok) to groom young people for criminal exploitation, a shift towards more girls being targeted due to the fact that they are less likely to be detected by law enforcement officers, and increased police intelligence due to people working from home and parents spotting unusual behaviours that would normally go unnoticed.

The Commission also learnt that the criminal age of responsibility (aged ten) has meant that those running county lines and other forms of criminal exploitation are incentivised to recruit younger and younger children, with the knowledge that they are less likely to be searched. If they are and their drugs are seized the consequences are also likely to be more moderate.

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326 National Youth Agency, *Between the Lines*, March 2021, p. 4

327 The Guardian, 'County Lines': Huge Scale Of £500m Drug Industry Revealed, 29 January 2019

328 Prof. John Pitts, *County Lines*, HM Inspectorate of Probation, January 2021, p. 5

329 National Youth Agency, *Between the Lines*, March 2021, p. 4

330 The Guardian, 'County Lines': Huge Scale Of £500m Drug Industry Revealed, 29 January 2019

331 Prof. John Pitts, *County Lines*, HM Inspectorate of Probation, January 2021, p. 5

332 The Children's Commissioner, *Keeping Kids Safe*, February 2019, p. 18

The County Lines 'offer' has also changed, with a broader range of products being offered to an expanding client base that is less reliant on addicts, targeting instead adult and adolescent 'recreational' users.<sup>333</sup> While children were once recruited particularly for their vulnerability, such as an absent parent or a particular deprivation, the Commission learnt that the prevalence of county lines networks has meant a wider cohort of children are being recruited. With diminishing job opportunities in some areas, the offer of being able to earn through drugs networks far outstrips any job prospect that may be available locally.

*"One child was running county lines and even though family tried to access all intervention support, he didn't want to stop because he would not earn that amount of money anywhere else. He feels it's his only way to earn a decent income."*

GIPSIL Charity, Leeds

In evidence given to the Commission, Out of the Shadows, a training and consultancy service focusing on child exploitation and safeguarding informed by lived experience, the Commission learnt that often children are initially drawn in by the money on offer but then find themselves trapped in the exploitation because they or family members are threatened if they attempt to leave. A non-representative poll of 15,148 school children run by Votes for Schools found that 81 per cent of secondary school children do not think involvement with a criminal gang is always a choice.<sup>334</sup>

County lines and violence go hand in hand. The vast majority (85 per cent) of police forces report the use of knives, and three-quarters (74 per cent) report the use of firearms. Nick Davison, assistant chief constable of Norfolk Constabulary, speaks of "ultra-violence" where younger recruits maintain status by executing acts of "increasingly outrageous savagery".<sup>335</sup> Beyond the bounds of legal enforcement, runners arm themselves to defend against rival gangs, but also are often required to commit acts of savagery to move up the chain of command within the gang and to survive.

When asked what the worst thing about living in their area was, one person informed the Commission, "*Drugs, always have to wonder if my child has arrived home safe and sound.*"<sup>336</sup>

333 Prof. John Pitts, County Lines, HM Inspectorate of Probation, January 2021, p. 6

334 Votes for Schools, Is Involvement With A Criminal Gang Always A Choice?, July 2021

335 Prof. John Pitts, County Lines, HM Inspectorate of Probation, January 2021, p. 6

336 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

### Case study – Sergeant Jeffrey Pearcey, Greater Manchester Police

“I’ve worked as a neighbourhood police officer in the same area for the last 20 years and with 29 years’ service I know the area and the people in it well. I now work in the Prevention Branch working to reduce the demand coming into the police through the front door and address the current issues we face. One such issue is children becoming involved in gang activity, being in possession of weapons and dealing drugs. I run an operation which targets youth offenders who are likely to be victims of child criminal exploitation.

One 17-year-old lad I work with I’ve known since he was a baby and I know his family well. His family are involved in lots of criminality. He grew up on a council estate with his mother and father and his two older brothers. His mother and father were in and out of the court systems throughout his childhood and his brothers were involved in serious criminality as well. He also witnessed lots of domestic abuse whilst growing up some of which I can remember attending and dealing with also showing adverse childhood experiences.

I don’t think his mum or dad ever worked and I know they were caught stealing a lot, his brothers brought in money through their criminality. There was a lot of truancy at school which resulted in several exclusions. He wasn’t a regular attender. He has been arrested 20 times, 8 times for violent crimes involving robberies and violent assaults, 9 times for drug offences, 4 times for PWITs [Possession with Intent to Supply] and for possession of knives.

Each time he has been arrested for the supplying of drugs, once released he would be re-arrested after a short period of time in possession of more drugs. He was definitely being exploited, whenever he was arrested, he lost a lot of drugs so was made to work harder every time to recover these losses.

Our intelligence systems tell us he was getting taxis between areas and being paid 3 thousand pounds a week, with an additional thousand if he worked 7 consecutive days. Intelligence also tells us who he is involved with and that there are many children of a similar age doing the same thing. Many of the nominals hang out in one area where older nominals go and offer them money to work for them. They work 12 to 13 hours a day and can earn a fortune.

There are often disputes between different urban street gangs in the area which causes the violence. We have footage of him fighting with knives and trying to hurt other young lads with knives. He’s also been stabbed, and we have footage of another young lad linked to another Urban Street Gang swinging a machete at his neck.

He hasn’t been arrested for a while, so we believe he has been moved areas and is being exploited through county lines. We do our best to help these young persons, but complex safeguarding will say ‘he’s not from our area’ [living and dealing in different areas] which makes it difficult to get the right services to help. This is something I’m seeing and dealing with all the time.”

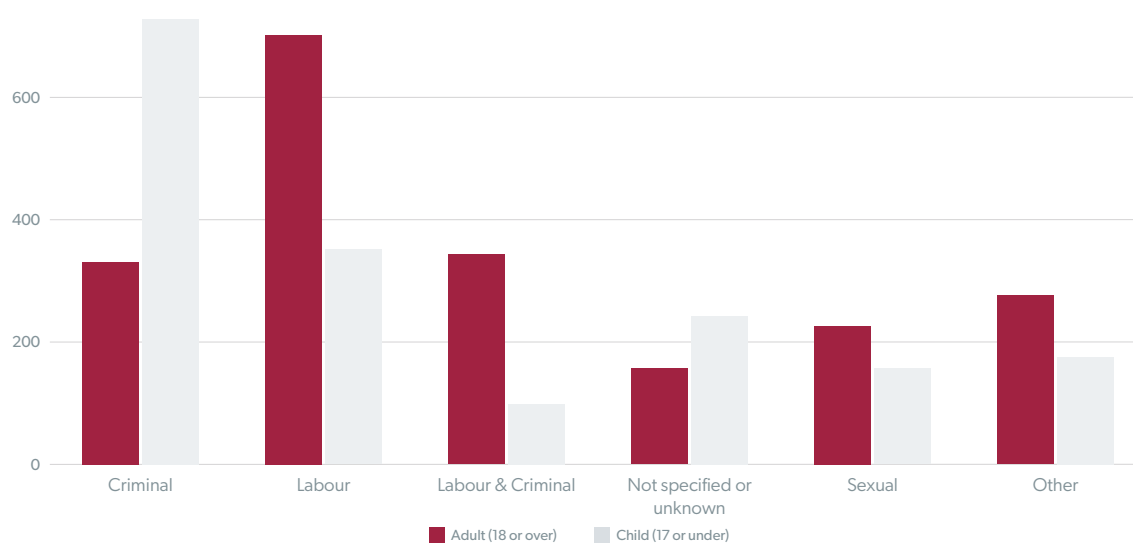
## Modern Slavery

Modern Slavery is an umbrella term encompassing human trafficking and slavery, servitude and forced and compulsory labour. Human trafficking is the recruiting, transporting, harbouring or receiving a person using threats, coercion, deception or taking advantage of a position of vulnerability for the purpose of exploitation such as sexual exploitation or labour exploitation.<sup>337</sup>

Over the past 20 years, there has been a huge shift in the understanding of modern slavery and the identification of victims. There were no specific modern slavery or human trafficking crimes in law until 2003 and formal identification and provision of support to victims only began in 2009. During the early years just a few hundred victims were identified (552 from April – December 2009) whereas nearly 17,000 suspected victims (16,922) were referred to the National Referral Mechanism (NRM) in 2022, including the greatest number of British victims ever referred (a quarter of the total).

The last 15 years have also seen a huge increase in the number and the proportion of NRM referrals for children under age 18 as well as an increase in the number of British nationals referred. Now the most commonly reported forms of exploitation are labour and criminal exploitation whereas in 2009 the majority of victims identified were female victims of sexual exploitation, the number of NRM referrals are also highest among male children.<sup>338</sup> As per Figure 13, the most prevalent type of NRM referral from April to June 2023 was the criminal exploitation of children.

Figure 13: Number of NRM referrals by exploitation type and age group, April to June 2023



Source: Home Office, *Modern Slavery: National Referral Mechanism and Duty to Notify statistics UK, Quarter 2 2023 – April to June, August 2023*.

<sup>337</sup> Human trafficking is not synonymous with people smuggling. In people smuggling, the relationship between the person and the smuggler is a transaction, ended after they arrive at their destination. Whereas with human trafficking, the ultimate purpose is the exploitation of the individual on arrival. Slavery, servitude and force and compulsory labour can apply to situations where there is no degree of movement of the victim.

<sup>338</sup> Public Health England, *County Lines Exploitation: Applying All Our Health*, February 2021

Increasing numbers of potential victims are being identified and referred for support, nearly four times as many in 2021 as in 2015, including significant numbers of British victims who are now the single largest nationality represented.<sup>339</sup> However, analysis by the CSJ in partnership with Justice and Care in 2020 estimated there could be at least 100,000 victims in the UK, ten times the number referred for support that year.<sup>340</sup> In 2022, NRM jumped by 4,221 to a total of 16,922 people as shown in Table 1.

Table 1: NRM Referrals by Year

	2009 (Q2-Q4)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>NRM referrals</b>	552	726	936	1,178	1,743	2,337	3,263	3,805	5,136	6,974	10,607	10,582	12,701	16,922

Source: Home Office, *Modern Slavery: National Referral Mechanism and Duty to Notify Statistics UK Quarter 3 2023, Data Tables, Table 1*, November 2023

Apart from 2020, during the COVID-19 pandemic when there was a very slight drop in the number of people referred to the National Referral Mechanism, the number of people referred had increased each year from 2009-2019.<sup>341</sup> This suggests that referrals were lower than would have been expected had the COVID-19 pandemic not happened. Lower referrals do not necessarily mean fewer incidents of modern slavery (in the same way that increased referrals does not necessarily mean increased rates of modern slavery). In addition to under reporting there could be several reasons for the lower number of referrals including international travel restrictions and the possibility that lockdown pushed exploitation further underground.<sup>342</sup>

Conversely restrictions on domestic travel during lockdown made some forms of exploitation more visible, such as exploitation of young people to transport drugs.<sup>343</sup> Although there was a general drop in NRM referrals in 2020 compared to 2019, there was an increase in the number of young people aged under 18 referred in relation to exploitation that took place in the UK.<sup>344</sup>

## Victims of Modern Slavery

One in five of all NRM referrals was for a British child in 2022. This was the first year since 2016 that UK nationals were not the most commonly referred nationality to the NRM overall, although the number referred was still the highest since the NRM began. In 2022, the most common nationality referred was Albanian, 27 per cent compared to the UK's 25 per cent. Moreover, 2022 was the first year in which Vietnamese nationals (five per cent) did not feature in the three most commonly referred nationalities, whose number saw a fall from the preceding year.<sup>345</sup>

339 CSJ and Justice and Care (JC), *Slavery at Home: A New Bill to Tackle Slavery in Britain*, February 2023, p. 6

340 CSJ and JC, *It Still Happens Here: Fighting UK Slavery in the 2020s*, July 2020, p. 2

341 Home Office, *Modern Slavery: National Referral Mechanism and Duty to Notify Statistics UK Quarter 3 2023, Data Tables, Table 1*, November 2023

342 National Crime Agency, *National Strategic Assessment*, 2021, p. 22

343 University of Nottingham Rights Lab, *Policing County Lines: Impact of Covid-19 Interim Research Briefing*, February 2021

344 Home Office, *Modern Slavery: National Referral Mechanism and Duty to Notify Statistics UK Quarter 3 2023, Data Tables, Table 2*, November 2023

345 Home Office, *Modern Slavery: National Referral Mechanism and Duty to Notify Statistics UK, End of Year Summary 2022*, March 2023

## Convictions and Charges Rates

Prosecution and conviction rates, see Table 2 below, remain low when compared with the number of recorded crime incidents. There were at least 4,840 live Modern Slavery police investigations across the UK as of 6 September 2023,<sup>346</sup> but over 16,938 recorded modern slavery victims in England and Wales in 2022. In 2021 the NCA estimated there were at least between 6,000 and 8,000 offenders involved in modern slavery in the UK.<sup>347</sup> Charge rates by the Crown Prosecution Service are at 2.3 per cent as of Q4 2022/23.<sup>348</sup> Although there is a delay between crimes being recorded AND cases coming to court and the likelihood that modern slavery offenders also being charged with other offences, there is a noticeable gap between the thousands of reported crimes, estimated offenders and live investigations and the few hundred modern slavery prosecutions and convictions.

*Table 2: Police Recorded Crime Statistics for Modern Slavery, England and Wales*

	2018/19	2019/20	2020/21	2021/22	2022/23 (Q1-Q3 ONLY)
Recorded crime (England and Wales)	5215	8408	8852	9813	7883

Source: Home Office, CSJ analysis of Police Recorded Crime Open Data Tables.

*Table 3: Number of Offences Prosecuted and Convictions for Modern Slavery Offences on an All- Offence Basis (England and Wales)*

	2015	2016	2017	2018	2019	2020	2021	2022
Proceeded against	27	155	315	300	256	331	342	303
Convicted	-	1	73	55	72	49	114	194

Source: Ministry of Justice, CSJ analysis of Criminal Justice System statistics quarterly: December 2022.

<sup>346</sup> Modern Slavery and Organised Immigration Crime Unit, Non-Lea Overview of Live Modern Slavery Investigations (MSID) In UK Policing, August 2023

<sup>347</sup> National Crime Agency, National Strategic Assessment, 2021, p. 25

<sup>348</sup> House of Commons, Home Affairs Committee, July 2023



# Enforcement, Policing and Community Safety

## The State of Enforcement and Policing

*“Authorities have just cut back and back, there are no longer police on the streets, they just don’t care.”*

Focus Group Respondent, Jaywick

*“We don’t trust the Police to do anything about sexual assault”. “I think things should be policed more but I don’t trust the police.”*

Service User, Young Women’s Outreach Project, Gateshead

*“It’s constant, kids are smashing people’s windows and pinching cars, they’re like 12, 13 years old...it’s really bad, like where I live.”*

Service User, Key Community, South Shields

*“I had my garden furniture taken, I knew who done it, but the person who had the CCTV didn’t want to get involved.”*

Focus Group Respondent, Jaywick

The most deprived communities told the Commission that they felt drug dealing was unprosecuted and, in practice, decriminalised. Lived experience focus groups told the Commission they felt the police had in the most part retreated from their community, something most focus group participants wanted reversing. Some felt that only very prolific dealers or users are prosecuted, emboldening those who deal on a small scale.

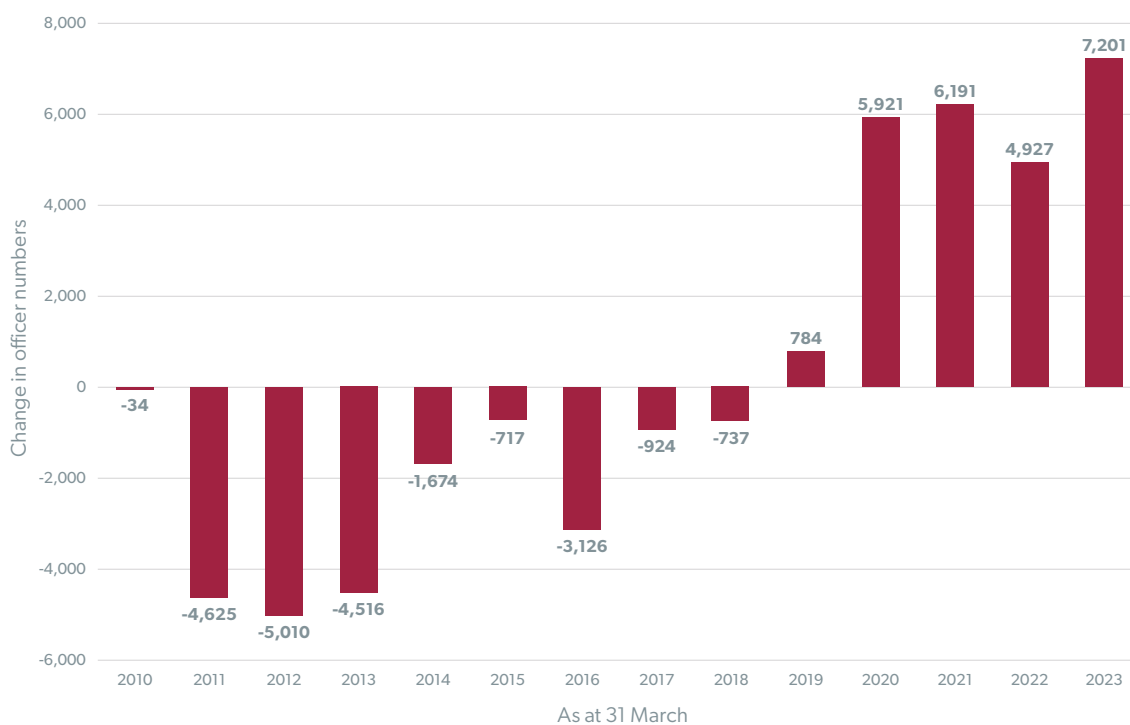
Police funding and the number of officers across the country are increasing, however it will take time before the increases have an impact and reduce crime. In 2022-23, the police received £17 billion in funding in England and Wales, a seven per cent increase compared with the previous year in nominal terms.<sup>349</sup> Since 2015-16 funding has increased in real terms by 18.4 per cent (£2.6 billion).<sup>350</sup> The cuts to police officers from 2010 are steadily being amended, as the below figure demonstrates, with an increase of 19.7 per cent more officers in March 2023 than in March 2019.<sup>351</sup>

349 Home Office, Police Funding for England and Wales 2015 to 2023, 12 July 2022

350 Ibid

351 Ibid

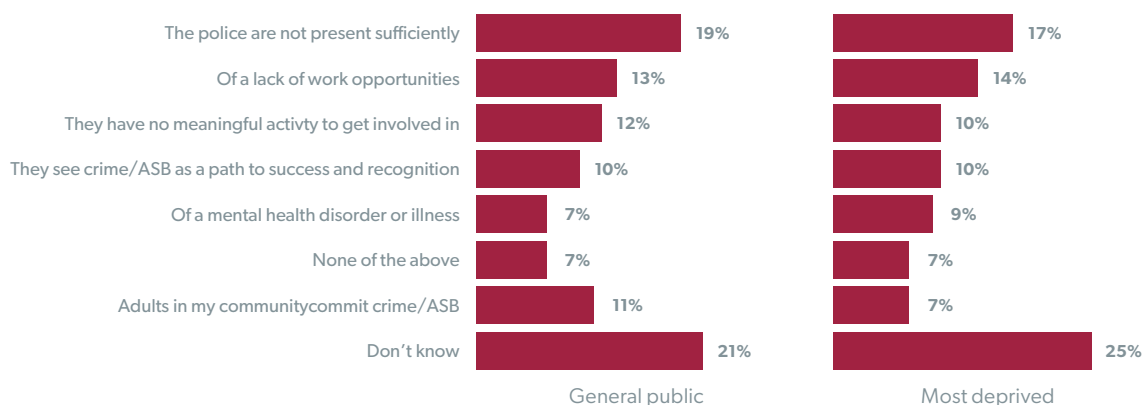
Figure 14: Changes to Police Officer Numbers, England and Wales, 2010 to 2023



Source: Home Office, Police workforce, England and Wales, Figure 1: Year on year change in officer numbers (FTE).

The Commission’s polling found that for both the most deprived and the general public, a lack of police presence is blamed as main the reason for adults who commit crime and ASB, as depicted in the chart below.<sup>352</sup>

Figure 15: What is the Reason Adults Commit Crime and ASB?



Source: Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

352 Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

# The Public Response to Crime - What do People Want?

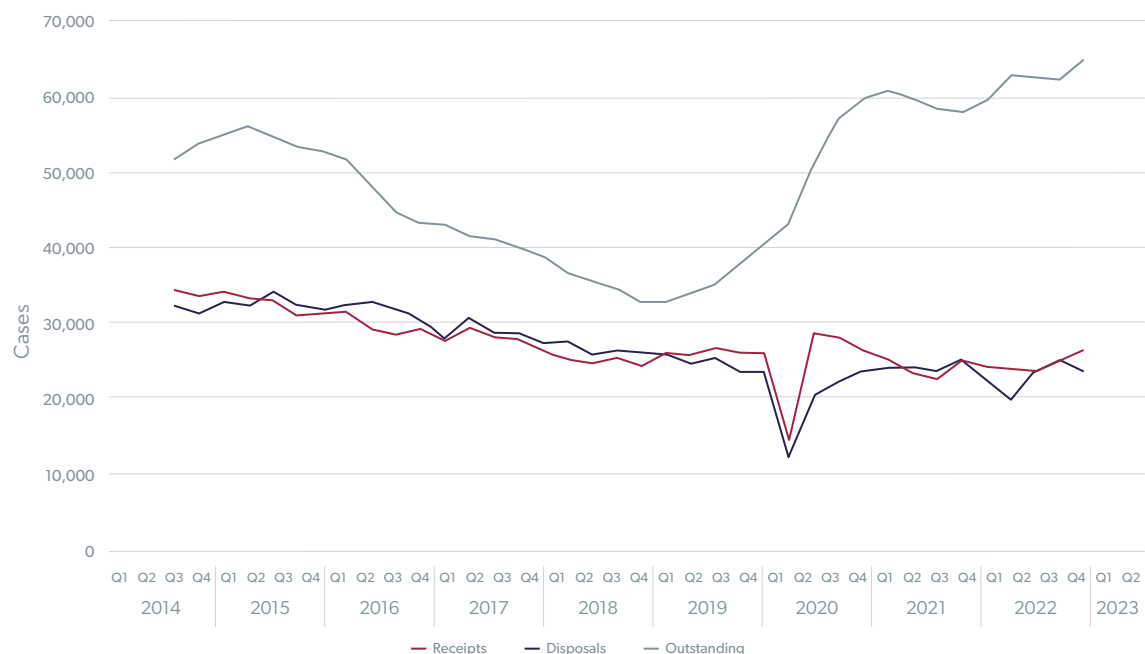
## A Better Criminal Justice System

As the Commission travelled the country speaking to the most disadvantaged communities who were most exposed to crime in their neighbourhoods, it was clear they wanted a greater police presence and stronger enforcement against criminals. However, there was widespread lack of faith in the criminal justice system as a whole with a lack of police presence, low conviction rates, and long court backlogs meaning the most disadvantaged were losing faith that justice would be enacted.

Professor Daniel S. Nagin looking at deterrence across the world found that it was the certainty of apprehension, not the severity of the ensuing legal consequence, that was the more effective deterrent.<sup>353</sup> This resonates with what the Commission was told in Britain's most disadvantaged communities. While the possibility of being able to get away with crime, due to lack of enforcement or to escape justice for a while due to long court backlogs, crime remains a low risk, high reward endeavour. Increased deterrence is therefore not found in increased punishment, but rather in increased certainty that punishment will follow criminality.

The long delays in the courts have contributed to the belief that justice will not be certain or swift. In August 2023 outstanding cases for the Magistrates' courts were at 353,700, up from 343,842 in August 2022, an increase of 2.87 per cent. For the Crown Courts, there has been a rise of 7.3 per cent in outstanding cases, from 60,580 cases in August 2022 to 65,004 in August 2023.<sup>354</sup> This escalation makes the government target of reducing the number of cases to be heard at Crown Court to 53,000 by March 2025<sup>355</sup> increasingly unrealistic. The backlog of cases has seen a spike following the COVID-19 pandemic, demonstrated in Figure 16.

Figure 16: Crown Court caseload, England and Wales, 2014 to 2023



Source: Ministry of Justice, *Criminal Court Statistics quarterly: April to June 2023, September 2023*.

353 Daniel S. Nagin, *Deterrence in the Twenty-First Century*, *Crime and Justice*, Vol. 42, No. 1, *Crime and Justice in America 1975–2025*, August 2013

354 The Law Society, *Record Crown Court Backlog as Long Wait for Justice Continues*, October 2023

355 House of Commons Justice Committee, *Court Capacity: Government Response to the Committee's Sixth Report of Session 2021–22*, July 2022

This spike accounts for a 59 per cent increase in outstanding cases in England and Wales's Crown Court from March 2020 to June 2023, as well as 28 per cent of cases waiting to be heard in the Crown Court for more than a year in June 2023, compared with seven per cent in March 2020.<sup>356</sup> Meanwhile, the backlog in the Magistrates' Court is slowly easing, in part due to the procedural system, but also due to the decline in demand at the beginning of the COVID-19 pandemic. Crucially, however, the Crown Courts are overwhelmed likely due to the longtail of the COVID-19 pandemic, and industrial action by barristers in 2022.<sup>357</sup>

A high number of serious and complex cases are not yet heard in the Crown Court. This can mean victims, and most notably domestic abuse victims, are left waiting years for justice<sup>358</sup>, while innocent defendants can be waiting years to clear their name.<sup>359</sup> According to the Victims' Commissioner's 2022 Victim Survey, 70 per cent said they felt they had to wait too long for a case to go to court, while only eight per cent were confident they would receive justice as a result of reporting a crime.<sup>360</sup>

## Strong Policing

In recent years, public confidence in the police has declined, with 53 per cent of people having a lot or a fair amount of confidence in police to deal with crime in July 2019 to 38 per cent in November 2023.<sup>361</sup> Another survey found only 25 per cent of people would speak highly of their local police<sup>362</sup> and according to the 2020 Crime Survey of England and Wales, public confidence in the police have been on a downward trend over the last two years, from 62 per cent in 2017 to 55 per cent in 2020. Police response times to priority calls have risen by 64 per cent since 2019, while response times for emergency calls have risen by nine per cent from 15.1 minutes to 16.5 minutes.<sup>363</sup>

The Commission learnt that many in the most deprived communities wanted the police to be more proactive in tackling crime and more present in the community, particularly for crime that may be seen as low-level but has a big impact on communities. Crimes that happen on people's doorsteps act as a signal crime,<sup>364</sup> and can be a proxy for local pride. The feeling of lawlessness mattered deeply and shaped people's perception of the police's strength and faith in the justice system in general.

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356 Institute for Government, Performance Tracker 2023: Criminal Courts, October 2023

357 Ibid

358 Godfrey, B, The Crisis in the Courts: Before and Beyond Covid, November 2021

359 The Law Society, Thousands of Victims and Defendants in Long Wait for Justice, January 2022

360 Victims Commissioner, Victims' Experience: Annual Survey 2022, November 2023

361 YouGov, How Much Confidence Brits Have in Police to Deal with Crime, November 2023

362 Ipsos, Public Perceptions of Local Policing and The Police, March 2022, p. 2

363 BBC, Police Taking Over Five Hours to Respond to Priority Calls in England, 26 April 2023

364 Innes, M, "Signal Crimes and Signal Disorders: Notes on Deviance as Communicative Action", The British Journal of Sociology, Volume 55, Issue 3, pp. 335-555





# FRACTURED COMMUNITIES

# Fractured Communities

Across the nation the Commission learnt that communities are facing multiple challenges. This chapter will examine some of these challenges. It will first examine the affordability, quality and security of housing. It will then uncover the nature of community life and connection; the scourge of addiction still tearing communities apart; and the unique role of the Third Sector in supporting and empowering the most disadvantaged.

## Housing

*"If you can't afford your rent, you'll get pushed down here, some of these places are slums, they shouldn't be inhabited, they shouldn't be lived in."*

Focus Group Participant, Jaywick

*"It was a joyous moment for us when a woman was arrested as we knew she would have a place to stay. That is not a joyous moment. That is sad."*

Anonymous Women's Refuge

*"Housing helps people feel safe and have a sense of belonging."*

Bulldog Boxing, Big Listen Wales

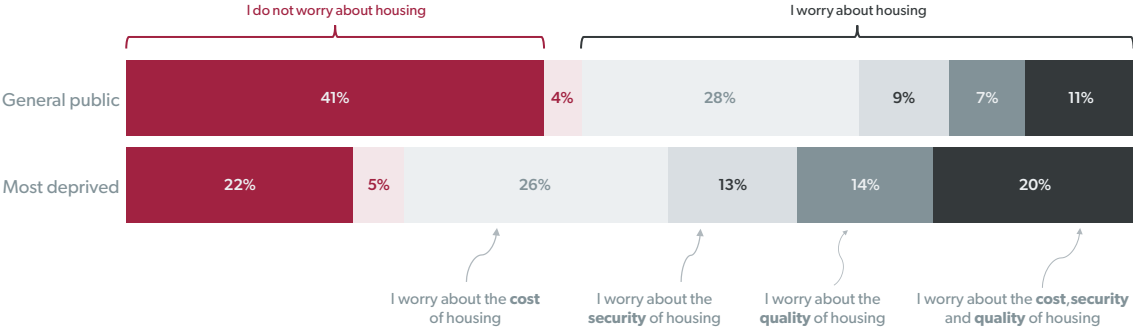
Over the course of its inquiry, the Commission has heard from lived experience panels and charity leaders about the difficulties faced by people when housing is unaffordable, poor quality and insecure. These factors: affordability, quality, and security of tenure are the three foundational pillars of good housing.

Housing matters to people as it constitutes their home. Home is important as it provides a retreat from the difficulties of daily life, gives a sense of belonging and ownership and provides a secure base to enjoy family life, friendship, and relaxation. Homes also form the bedrock of our communities. When people are secure and happy in their homes, they have a springboard to participate in their community and contribute to civic life.

This chapter will explore the experience of both the general public and the most disadvantaged, regarding the affordability, quality and security of housing. For the most disadvantaged, when a household's experience of housing is unsatisfactory, the Commission has found it acts as a barrier to escaping poverty. This chapter will then explore how bad housing can exacerbate problems with work and opportunity, education, addiction, crime, modern slavery, community life, family, and debt.

Polling for the Commission has found that over half of the general public, and nearly three in four of the most deprived, worry about their housing. As Figure 1 shows, cost ranks as first concern for both groups. Following cost concerns are worries about all aspects of housing – cost, security and quality. Quality ranks as third most important factor for the most deprived. For the general public, the third most important factor is security. The most deprived worry twice as much as the general public about the quality of their housing, whilst a similar proportion say they worry just about the costs, as per Figure 1.

Figure 1: Perceptions of Housing, 2023



Source: Original Polling Conducted by JL Partners for The Centre for Social Justice of 6,000 Adults Nat Rep Between 25th August 2023 and 2nd October 2023

Whilst housing is a clear concern for Britain as a whole, the most deprived say they worry about cost, security and quality of housing more than the general public do. Across all tenure types, people worry the most about cost, followed by quality and security. For the most deprived who rent directly from a local authority, 17 per cent are worried about the quality of their housing. This falls to 15 per cent of the most deprived who rent from a housing association.<sup>365</sup>

When both the general public and the most deprived were asked what word accurately describes what the best thing about living in their area was, ‘community’ ranked the second highest, with only the word ‘quiet’ preceding it. In contrast, our poll respondents used the word ‘housing’ just 8 times when asked to describe the best thing about their local area, compared with 133 times when asked what the worst thing was about living in their area.<sup>366</sup> The most disadvantaged ranked housing opportunities as the joint worst aspect of life in their local communities, at just 3.9 out of 10. Just two in ten say they don’t worry about their housing.<sup>367</sup>

When affordability, quality and security are missing from housing, the experience of home and community becomes chaotic and insecure, with wider ramifications on other areas of life. Unaffordable, bad quality and insecure housing can act as a barrier that traps people in poverty and has wider ramifications for how people choose to treat a local area. When pride in the local community is lacking, the Commission was told that community members begin to treat it with contempt. The Commission was told how fly tipping, littering, and other forms of anti-social behaviour were commonplace in areas where housing was bad quality. The importance of good housing is recognised by the most disadvantaged, who rated increased housing opportunities as the fifth most important factor that would help them get ahead in life, out of a total of sixteen other

<sup>365</sup> Original Polling Conducted by JL Partners for The Centre for Social Justice of 6,000 Adults Nat Rep Between 25th August 2023 and 2nd October 2023

<sup>366</sup> Ibid

<sup>367</sup> Ibid



options.<sup>368</sup> The Commission's polling found that only 17 per cent of the most disadvantaged who rent from either the council or a housing association rate their quality of life at an eight or above (out of ten), compared with 52 per cent of the general public who own a property.<sup>369</sup>

## Affordability

*"It's a vicious circle though, because mortgages have gone up for buy-to-let investors and so the rents need to go up to cover costs."*

Centre for Families, Big Listen Wales

*"For a 1-bedroom flat in my town, it's £13-14k in North Wales. That's 70 per cent of your income on rent. The demand has come from people moving to the area and local people don't have incomes to afford those prices."*

Crest Cooperative, Big Listen Wales

Affordability is a cornerstone of good housing and ranks as the primary concern for the general public and most deprived when they worry about their home.<sup>370</sup> Sadly, for millions of families across the country, housing is unaffordable and a severe financial burden.

Every tenure type is affected by unaffordable housing. For example, the Commission has heard how private rent is often unaffordable, leaving family budgets hard pressed. As average house prices have risen far more than earnings, the aspiration of homeownership has become more difficult. National statistics reveal that 40 per cent of adults say they struggle to pay their rent or mortgage.<sup>371</sup> In the social sector, high costs in other tenures are increasing demand with over one million households waiting for a home and rising.<sup>372</sup>

The poorest households feel the impact of price pressures the most. The lowest income deciles spend, as a percentage of their income, much more on housing costs than the wealthiest. In 2022, the bottom fifth spent over 25 per cent of their weekly household expenditure on housing costs, compared to the national average of 16.6 per cent and 12.6 per cent for the top fifth income quintiles, as per Figure 2.

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368 Ibid

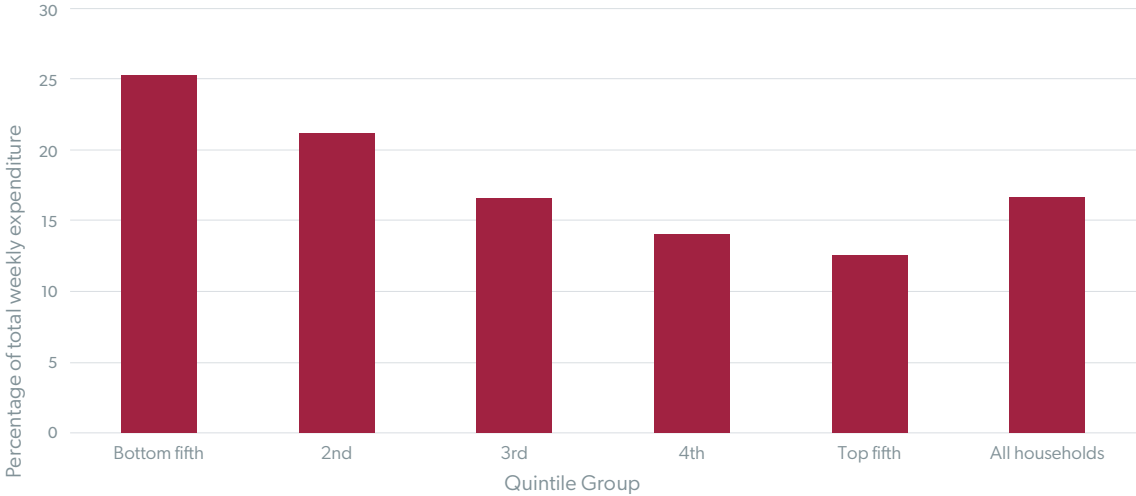
369 Ibid

370 Ibid

371 Office for National Statistics, Impact of increased cost of living on adults across Great Britain: July to October 2023, 4 December 2023

372 Department for Levelling Up, Housing and Communities, Social Housing Lettings in England, Tenants: April 2021 to March 2022, June 2023

Figure 2: Average Weekly Household Expenditure as a Percentage of Total Weekly Expenditure, by Quintile Group, UK, 2022



Source: ONS Family Spending in the UK, 2021-22, CSJ Analysis of Fig 3

When compared to international comparators, the UK consumer is worse off, often paying more for less than other countries. Analysis by the Social Market Foundation in 2023 found that whilst the average UK and US household spent a similar amount of money on housing, the average US home is 60 per cent larger.<sup>373</sup> The SMF found that the UK’s housing costs compared to the USA was 2.34 times the global average vs 1.7 times, respectively.<sup>374</sup> Moreover, a property data company looking at the size of UK homes, found that British properties were some of the smallest in the world at 818 square feet. Out of 19 countries, just three countries had smaller properties when compared to the UK: China, Russia, and India.<sup>375</sup>

### The Cost of Buying a Home

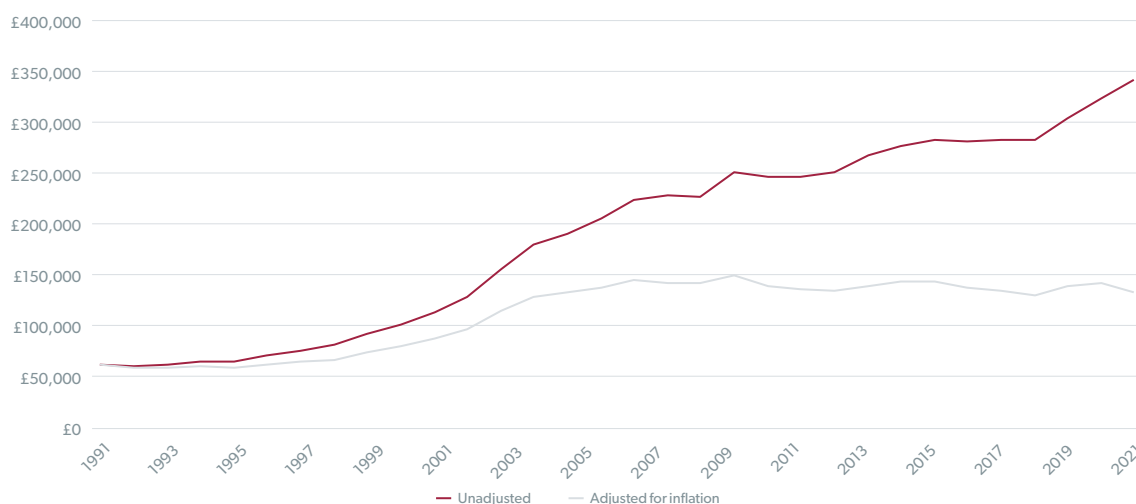
Over time, it has become more difficult for the average person to afford to buy a home. Average UK house prices, adjusted for inflation, grew significantly from 1991 to 2005 before remaining at a fairly constant level between 2005 and 2022 (between £130,000 and £150,000) as shown by Figure 3. Despite levelling out from the mid-00s, the increase in prices from 1991 altered the nature of the housing market. As shown below, adjusted for inflation, house prices have jumped by 116 per cent from 1991 to 2022.

373 Social Market Foundation, Atlantic Aspirations: What Does the US get for Being a Third Richer Than the UK? Briefing Paper, 2023, p. 1

374 Ibid, p. 9

375 Thomson, L., UK Homes are Some of the Smallest in the World - but With the Highest Price Tag, 31 May 2023

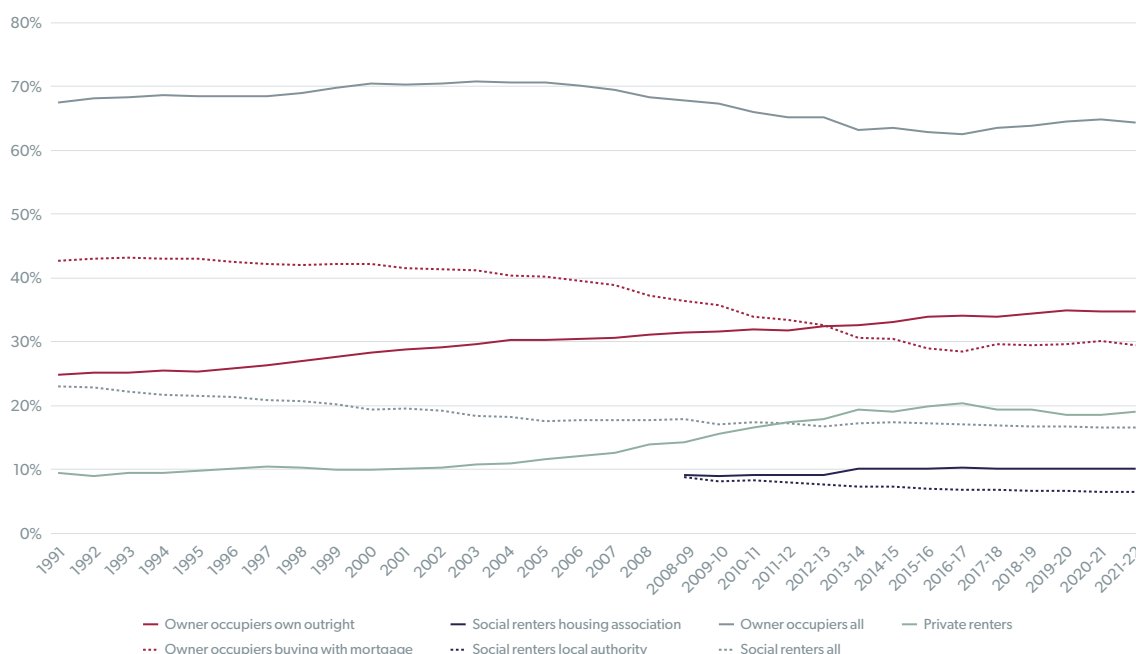
Figure 3: UK Housing Market Average Prices, 1991 to 2022



Source: ONS, CSJ Analysis of the 'House Price Index, Table 31'

As house prices rose quickly from the late 1990s to the mid-2000s, the proportion of households owning their own home peaked in 2003 at 71 per cent of total households. This partly reflects more lenient mortgage lending criteria before the 2008 global financial crisis. Taking out a mortgage was also made more attractive due to considerably lower interest rates from the early 1990s. Adjusted for inflation, house prices levelled out from 2009 onwards, but the decline in homeowners with a mortgage, beginning in 2004, began to decline as a faster pace as shown in Figure 4. Since 2017/18, this decline has levelled out. Homeowners with a mortgage fell from 39 per cent of total households in 2007 to 30 per cent in 2021-22.

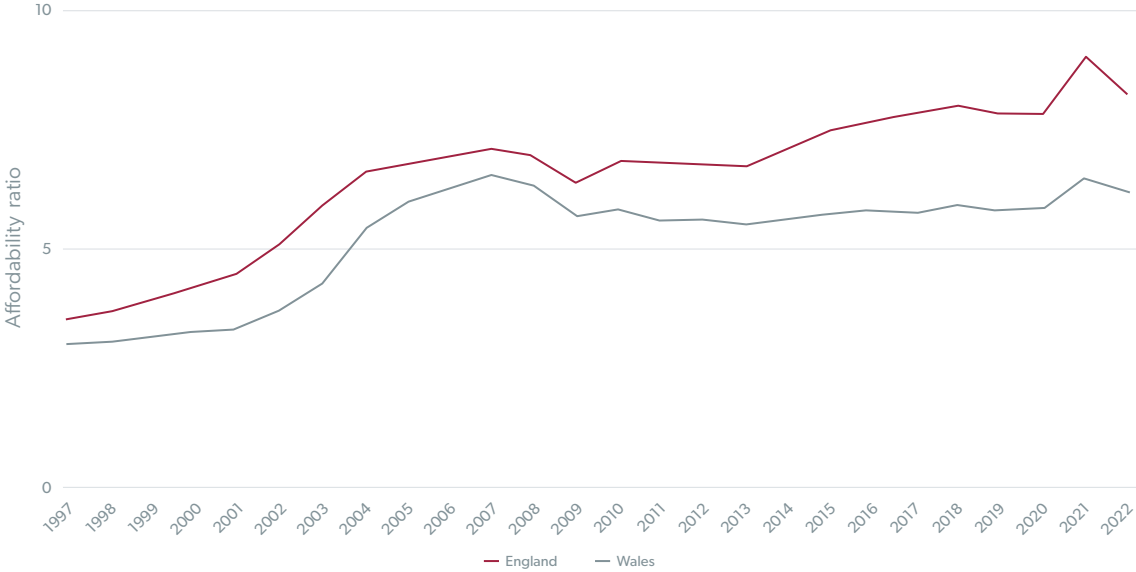
Figure 4: Tenure Over Time, England, 1991 to 2022



Source: Department for Levelling Up, Housing and Communities, CSJ analysis of 'FT1101 (S101): Trends in Tenure

Whilst the decline in homeowners with a mortgage reflects the tighter lending criteria put in place after the financial crisis, the fall in the proportion of homeowners with a mortgage is also explained by the rise in house prices compared to earnings. The ratio of median house prices to median earnings is a more useful indicator of how affordable housing is for prospective buyers, as it considers salary inflation as well as house prices. Figure 5 shows the affordability ratio of house prices to earnings. There has been a significant increase in the cost of buying a home relative to peoples income over the last two and a half decades. The ratio of median house prices to earnings increased by 134 per cent, from 3.54 in 1997 to 8.28 in 2022. This means that a buyer today could expect to spend 8.38 times their earnings on buying a home.

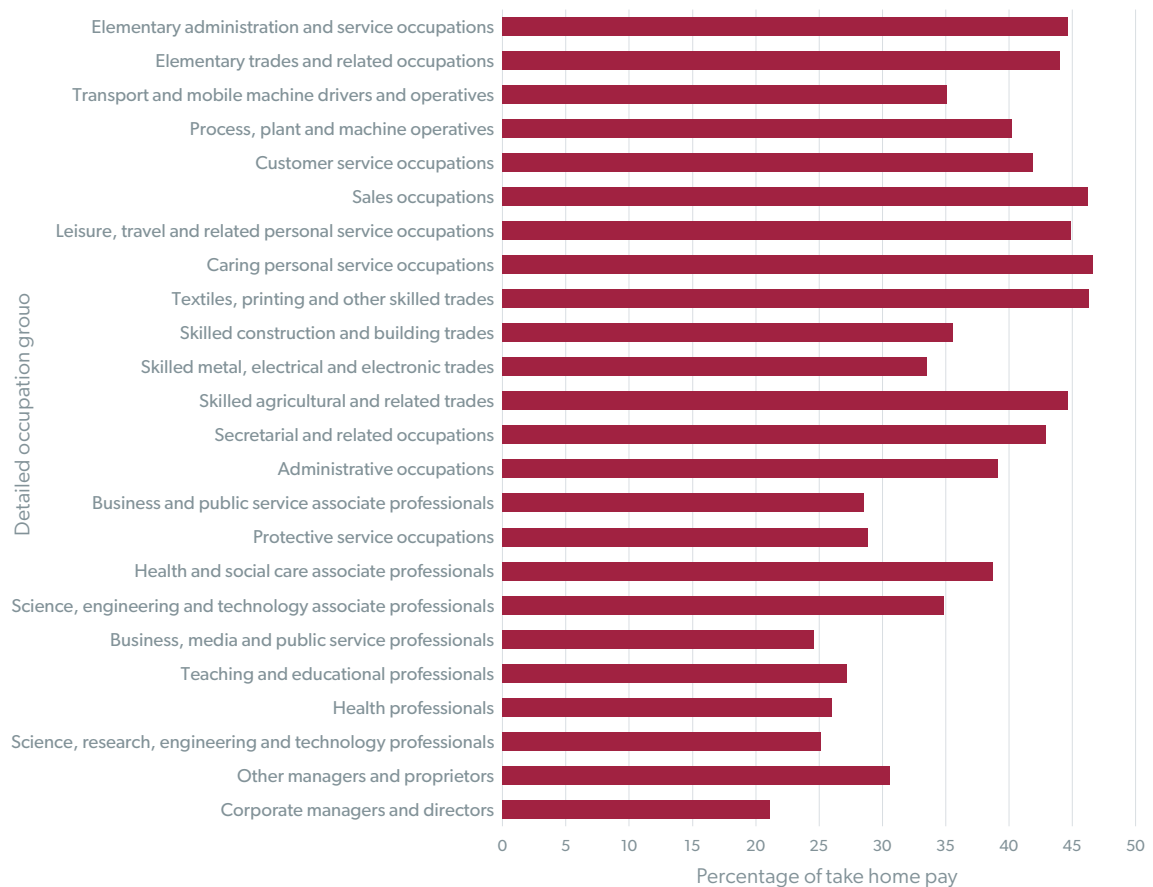
Figure 5: Prices to Median Earnings, England and Wales, 2002 to 2022



Source: ONS, House Price Statistics for Small Areas and Annual Survey of Hours and Earnings

The decline in affordability has disproportionately affected low-income homeowners. As a percentage of take-home pay, lower-income professions pay a much greater proportion towards their mortgage payments when compared to higher-income professions. Corporate managers and directors pay on average 21.1 per cent of their take home pay on a mortgage, compared to the 46.6 per cent of take home pay that carers who own their home are spending on direct housing costs, as per Figure 6.

Figure 6: First Time Buyer Mortgage Payments as a Percentage of Take-Home Pay by Detailed Occupation, 2021



Source: Nationwide, CSJ Analysis of 'First Time Buyer Mortgage Payments as a % of Take-Home Pay by Detailed Occupation'

Many people in lower-income professions are currently spending more than recommended on their housing costs. Ten of the occupations listed above spend on average 40 per cent of their take home pay on their mortgage, over the 35 per cent that the Homeowners Alliance recommends a household spend on mortgage payments.<sup>376</sup> Furthermore, the size of the deposit needed has grown spectacular as asset prices have increased. This has meant many people who are renting in the Private Rented Sector (PRS), who otherwise would be able to save for a deposit, are unable to because they struggle to save sufficiently.

The decline in affordability is reinforced by public attitudes. Most Britons have a perception of high housing costs across the country. 55 per cent of people surveyed in 2021 considered housing costs in their area to be high.<sup>377</sup> This figure rose to 75 per cent in London and 73 per cent in the South East.<sup>378</sup>

Whilst many Britons are unable to afford to buy a home, rising prices have made UK housing stock an attractive investment for overseas buyers. Hamptons Real Home Experts stated that in 2020 international buyers purchased 30 per cent of homes sold in Greater London and international buyers purchased 49 per cent of homes sold in prime central London in the last year.<sup>379</sup>

376 Homeowners Alliance, How Much can you Afford to Borrow for a Mortgage?

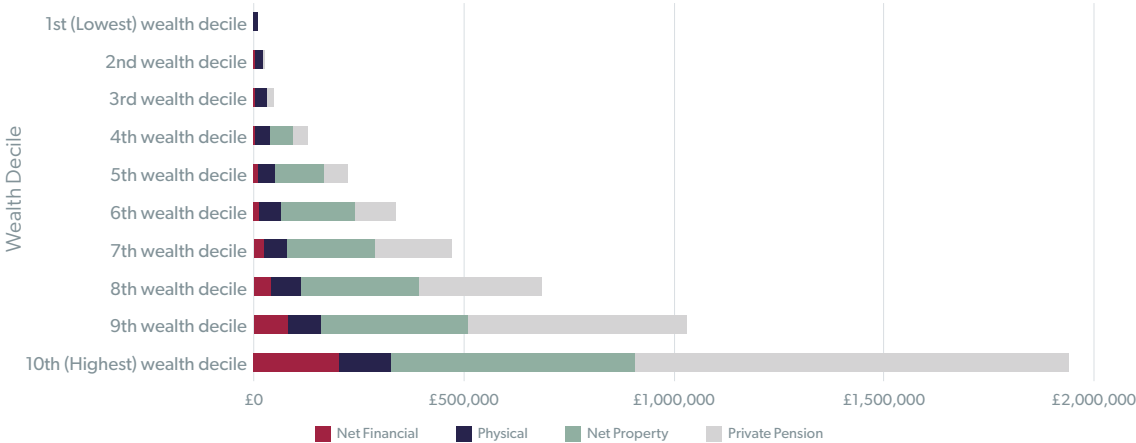
377 The Centre for Social Justice (CSJ), Exposing the Hidden Housing Crisis: Public Attitudes to 'Affordable Housing' and Housing Policy, 2021

378 Ibid

379 Hamptons, Buying, International Market and Research, International Buyers: 2020, February 2021

Houses have also become important as a financial asset, especially since real pay growth has flatlined since 2008. From a financial position, this makes homeowners less likely to want to see change in the housing market. Property makes up the greatest share of the 4th, 5th, 6th and 7th wealth deciles asset portfolios, a greater proportion than private pension funds, as per Figure 7. For many who can afford to buy in the middle to high income brackets, homeownership, and increasing the value on their property, is an important bulwark against the financial difficulty, as well as for guaranteeing a stable retirement income.

Figure 7: Wealth Components Median by Household Total Wealth Decile, Great Britain, April 2018 to March 2020



Source: ONS Household Total Wealth in Great Britain, 2018-2020, CSJ Analysis of Figure 3

For the lowest income deciles (1st, 2nd and 3rd) housing makes up none of their financial portfolio. These decile groups are primarily dependent on physical wealth. Whilst housing makes up a significant proportion of homeowner’s financial portfolios, the younger generation are struggling to get their foot on the housing ladder. In 1989, the majority of young households (aged 25-34) owned their own home, declining to 28 per cent in 2020. This has had a particularly sharp impact on the most disadvantaged, with the Resolution Foundation finding that home-ownership rates for the poorest two-fifths of young people had halved between 1989 and 2019.<sup>380</sup> Whilst property forms an important and secure part of household’s total wealth, this is becoming increasingly concentrated in older demographics with young people unable to access the same opportunities that their parents had.

### The Supply Problem

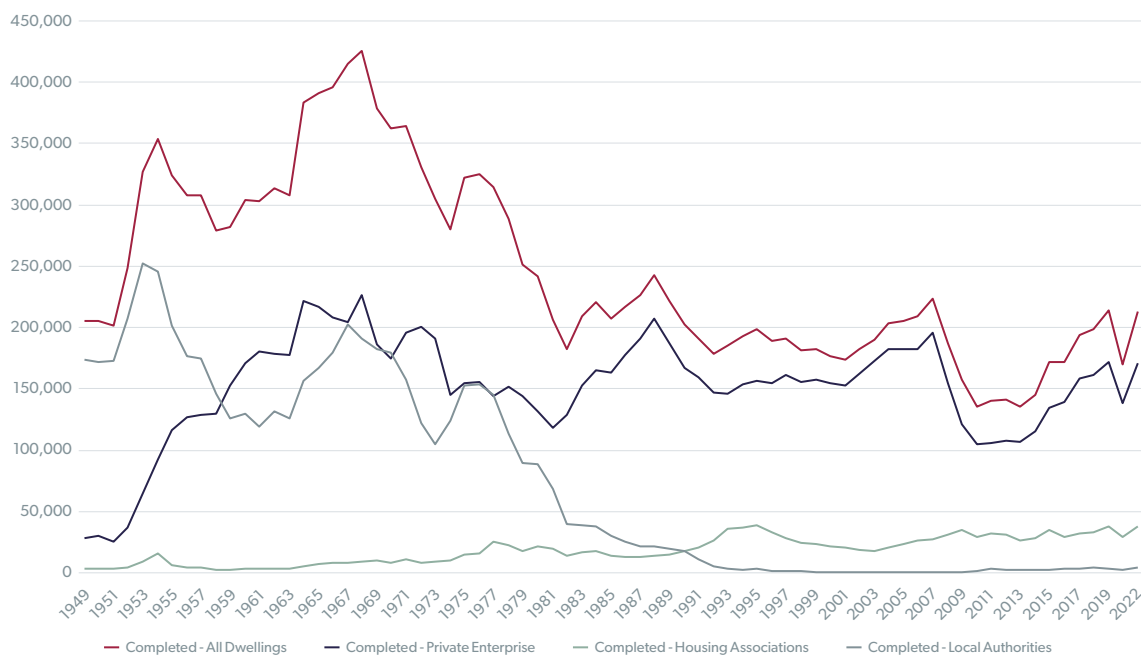
The growing crisis in affordability finds its root cause in a lack of housing supply. The UK has not built enough homes to keep up with demand. Compared to the average European country, it is estimated that the UK is missing 4.3 million homes, equivalent which falls to 15 per cent of the UK’s current housing stock.<sup>381</sup> The Centre for Cities estimates that England needs to build 442,000 new homes a year, which would still take over 25 years to close the current backlog.<sup>382</sup> Current rates of house building are falling well short of this estimate. In the year ending 2022, just 213,200 homes were built.

380 Corlett. A., and Odamtten. F., Hope to buy, Resolution Foundation, December 2021, p. 5

381 Office for National Statistics, Impact of increased cost of living on adults across Great Britain: July to October 2023, 4 December 2023

382 Ibid, p. 4

Figure 8: Completed Homes per Calendar Year, UK, 1949 to 2022



Source: ONS, CSJ analysis of 'House building, UK: permanent dwellings started and completed by country'

Underlying the supply problem is the planning system, which has hampered the building of homes for many decades. Low housing supply has had an inflationary impact on house prices and rents, as well as on the financial viability of new affordable housing projects.

The lack of housing supply is made worse by limited infrastructure, the underuse of public land and issues within the market. For example, the supply of new homes in West London is being constrained by limited capacity on the National Grid.<sup>383</sup> Furthermore, public land that is sold for housing development does not always guarantee the creation of affordable housing. Analysis conducted by the New Economics Foundation in 2020, of public land sold to developers, found that just 2.6 per cent of new homes would be for social rent.<sup>384</sup> Contributing to supply issues is the oligopolistic structure of the housebuilding market, with only a few major development firms,<sup>385</sup> driving up the cost of new developments. The UK's slow build-out rate on larger residential developments, caused by a lack of product diversity, means homes take a long time to make it onto the market after planning permission is granted.<sup>386</sup> In the last year, high interest rates are now making it more difficult to finance housing construction of all tenure types.

The source of the UK's housing supply crisis is decades in the making. Completion peaked in 1968 before steadily declining. The completion of affordable homes has declined from 198,210 social homes in 1953 to just 33,440 social housing units in 2022. The overwhelming majority of homes completed in 2022 were private developments, as per Figure 9.

Despite an uptick of new homes built in 2022, new construction has fallen throughout 2022 and 2023. As a result of high interest rates post COVID-19 pandemic, house prices have fallen, and construction costs have begun to rise. Correspondingly, the number of new housing construction projects has also started to decline, as the returns from development have become less sure.

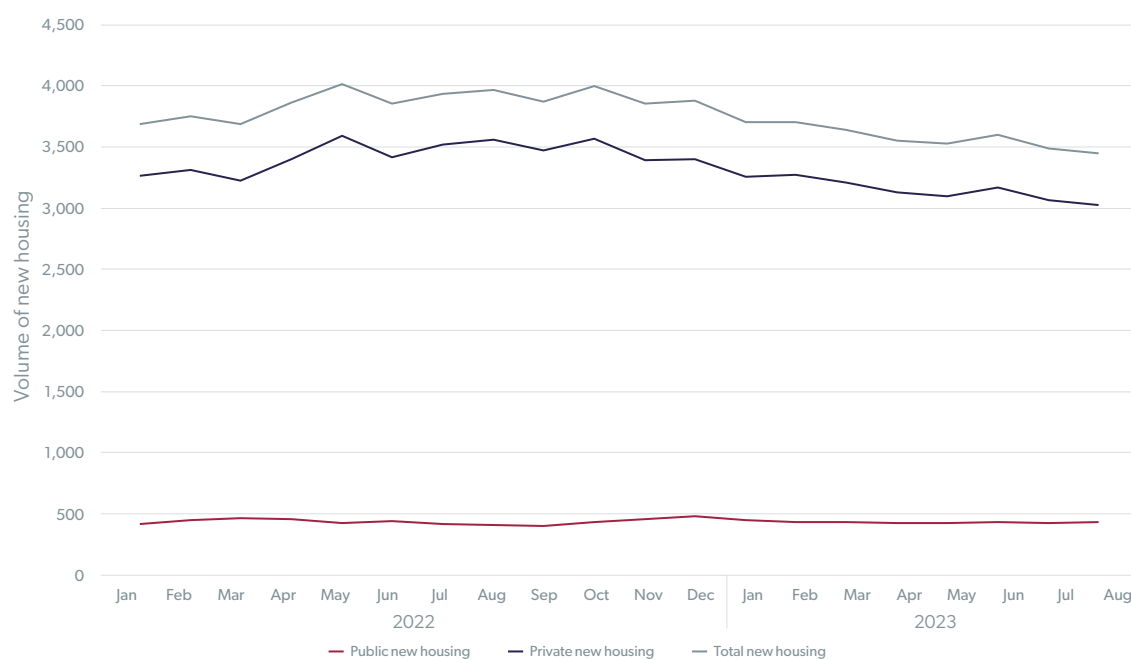
383 Mayor of London, West London Electricity Capacity Complaints, November 2022

384 New Economics Foundation, Sold-off Public Land is Creating Minuscule Amounts of Affordable Housing, 2020

385 House of Lords Select Committee on Economic Affairs, Building More Homes, HL Paper 20, 2016

386 The Department for Housing Communities and Local Government, Independent Review of Build Out, October 2018, p. 10

Figure 9: New Housing, Construction Output (2019 = 100), 2022 to 2023



Source: ONS, CSJ analysis of 'Output in the construction industry'

A decline in private and social housebuilding is further entrenching the UK's housing crisis. This is particularly true of any decline in private construction, which has so far driven the fall. This is because most social and affordable housing development comes as a derivative of general-purpose housebuilding through developer contributions. It is the lack of supply in decent, affordable homes for people on modest to low incomes which has made housing costs unaffordable for many families. Downward trends in new private housing developments over 2022/23 mean that it is unlikely that these homes will be delivered over the coming years.

## The Planning Problem

Whilst high interest rates have had an immediate impact on reducing the number of new housing developments, the long-term cause of the UK's supply problem is found in the body of law and regulation that constitutes the UK's planning system.

The planning system in England practically prohibits any development until planning permission is granted.<sup>387</sup> Whilst some development can take place through the use of 'permitted development', normally all new housing and infrastructure projects need to be approved by local planning authorities and go through a public consultation process. The UK's planning system is commonly contrasted to a zonal planning system, where planning permission is granted automatically to developments within a set area in line with relevant rules and regulations set out for that planning zone. The USA, Japan, Netherlands, and Germany all use a form of zonal planning system, with several countries granting the upper jurisdiction, in the UK's case this would be the UK Government or devolved Governments, responsibility to write and oversee the implementation of the planning system.<sup>388</sup>

<sup>387</sup> Breach, A., Britain's Housing Shortage, Homes for Britain: Planning for Growth, Fabian Society Local Government and Housing Member Police Group, March 2023, p. 5

<sup>388</sup> Centre for Cities, Planning reform: How Does Zoning Work in Other Countries?, 29 July 2020



The present planning system places multiple barriers in the way of building affordable housing. For example, the value of land granted planning permission is subject to a very high uplift, which presents a major difficulty for builders of affordable or social housing who have a limited profit motive. The former Department for Communities and Local Government published estimates of land value increases in 2015, finding that on average agricultural land increased from £21,000 to £1.95 million per hectare once granted planning permission.<sup>389</sup>

At present, buyers of land are faced with a large inflation in land value when the land has planning permission or the potential for planning permission. This is partly due to the difficulty faced by those seeking planning permission in the first place. High land value uplift is prohibitive for many councils and housing associations seeking to buy land for use in the public interest, for example, a social housing project. Secondary, there lacks a satisfactory way to recoup sufficient land value uplift for the community from developers,<sup>390</sup> who have made substantial profits based on the increases in land values. 'Land value capture' refers to approaches that allow communities to recapture some of the increase in value for social purposes – such as infrastructure and affordable housing.

Current reforms to the developer contributions system, enabled through the recent Levelling Up and Regeneration Act (2023), are significant in increasing and expanding the extent to which social and affordable housing – as well as community infrastructure – is delivered through wider residential development. The new Infrastructure Levy has the potential to improve the system, but it remains untested.

A further problem is that land that lacks or has limited planning permission currently, but that could have expanded development rights in future, is also subject to price increases from speculation as to its potential future development value. This is what's commonly referred to as the 'hope value'. Measures to mitigate the effect of hope value on compulsory purchase orders in circumstances where substantial public benefits could be derived have been introduced in the Levelling Up and Regeneration Act legislation. The Government must monitor closely the usage and effectiveness of these reforms to assess whether they are working to deliver affordable housing and community infrastructure.

## The Decline in Social Housing

The historic decline in the proportion of social housing has increased housing costs for Britain's poorest households. This is because many tenants who would otherwise be renting in the social rented sector are now housed within the PRS,<sup>391</sup> subject to higher costs, prevalent bad conditions and low tenure security. This has also contributed to high demand in the PRS which pushes up prices further.

Social housing set at social rent (as opposed to Affordable Rent and Shared Ownership accommodation), is provided by housing associations and local authorities. It is the only type of housing in the UK linked to local incomes and it was designed to be cheaper to rent than if a tenant was housed privately. Since the creation of social housing in 1919, it has formed a key part of the UK housing sector.

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389 Department for Communities and Local Government, Land Value Estimates for Policy Appraisal, February 2015

390 CSJ, Levelling Up: Ensuring Planning Reform Delivers Affordable Homes, December 2022, p. 5

391 CSJ, Raising the Roof: Building a better private rented sector, October 2023, p. 7

## Affordable Rent

Affordable Rent was introduced in 2011 as a new form of social housing. Affordable Rent homes could be offered at a slightly lower price, at 80 per cent of the rate of local rents and are designed to help tenants who struggle to afford homes in the PRS but do not have a social home. Affordable rent homes are allocated in a similar way to social rented homes. Of the 232,820 net additional dwellings delivered in 2021-22, 59,175 were affordable and 65 per cent for either social, affordable or intermediate rent. While proponents argue that affordable rent homes offer an affordable alternative to the PRS and social housing, critics argue that that affordable rent act as more of a discount on rent prices, and can therefore change with prices, rather than being a genuinely affordable housing product set at an income related level.

Source: Department for Levelling Up, Housing and Communities, Affordable Housing Supply.

In 2004, social housing accounted for 18.3 per cent of the UK's households<sup>392</sup>, following a steady decline since the 1980s. In 2021/22, this had fallen to 17 per cent of all households being in the social housing sector, a fall from 23 per cent in 1991.<sup>393</sup> This follows a long trend of decline from a historical high of 31 per cent of total households in 1979.<sup>394</sup>

The House of Commons Library attribute the decline in social housing as a proportion of households to factors such as Right to Buy sales, conversions from social rent to Affordable Rent, and low levels of new supply of homes for social rent.<sup>395</sup>

Right to Buy made provisions for social tenants to buy their home at a reduced rate and made the aspiration of homeownership attainable to people who otherwise would not have had that opportunity. Despite the benefits of Right to Buy for the millions of new homeowners, the scheme, in its design, has contributed to the lack of supply in affordable homes. Between 1997/98 and 2008/09 there was a much greater rate of demolition and sale of affordable housing than there was completion of new units. However, there have been improvements in building of affordable homes in the last decade. Since 2008/09, there has been a surplus of affordable housing that has exceeded losses through sales and demolitions in all but four out of 13 years.<sup>396</sup>

392 Department for Levelling Up, Housing and Communities, Ministry of Housing, Communities & Local Government, English Housing Survey Data on Tenure Trends and Cross Tenure, 13 July 2023

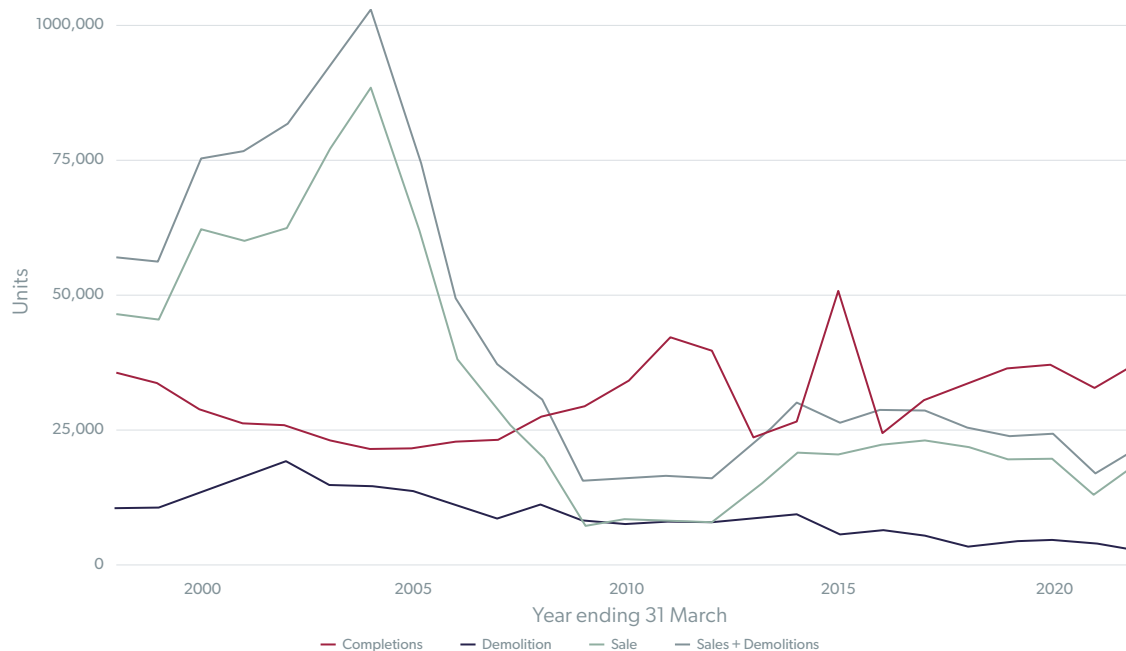
393 Ibid

394 Wilson, W., Barton, C., Social Rented Housing (England): Past Trends and Prospects, 12 August 2022, p. 36

395 Ibid, p. 6

396 Department for Levelling Up, Housing & Communities, National Statistics, Social housing sales and demolitions 2021-22, 26 January 2023

Figure 10: Comparisons of Sales and Demolitions to New Supply of Low-Cost Rental Stock, England, 1997 to 2022



Source: ONS, Social housing sales and demolitions 2021-22, Figure 1.7

The National Housing Federation found some 8.5 million people in England with a form of unmet housing need. They identified that for 4.2 million of these people, social housing would be the most appropriate tenure to address that need.<sup>397</sup> 1.2 million households are currently on waiting lists for a social home, with 65 per cent of new lets previously living in the private sector, their own home, Temporary Accommodation (TA) or sleeping rough.<sup>398</sup> It is common for people to wait several years before moving into a social home.

To explore this further, the Commission visited Rush House in Rotherham, who provide supported accommodation to homeless and vulnerable 16 – 25-year-olds and helps them into independent living. During an evidence session, Rush House told the Commission of how difficult it was moving service users on to stable and affordable accommodation. Many of their service users had to move away from their home area if they wanted to find a home in the social sector.

*“There’s certain areas of town that we pretty, pretty much know we’re not going to get council accommodation.” [sic]*

**Charity Leader, Rush House Rotherham**

<sup>397</sup> National Housing Federation, People in housing need, December 2021, n.d

<sup>398</sup> Department for Levelling Up, Housing & Communities, National Statistics, Social Housing Lettings in England, Tenants: April 2021 to March 2022, 27 June 2023

As less people are able to live in social housing, allocations policies prioritise offering social homes to tenants on the basis of social needs such as disability, homelessness, and other forms of hardship.<sup>399</sup> This means an increased proportion of social tenants have multiple and complex social needs. In 1979, a fifth of the richest ten per cent of the country were housed in social housing.<sup>400</sup> In 2021/22, nearly half of social renters were in the lowest income quintile.<sup>401</sup> As per Figure 11, 22 per cent of Household Reference Person (HRP) in the social rented sector were economically inactive, higher than the national average of seven per cent. Just 29 per cent were in full time work in 2021-22.

Households in the social rented sector are almost twice as likely to have a longstanding disability than homeowners, even though they have a similar age profile.<sup>402</sup>

Figure 11: Household Disability, Full Time Work and Other Inactivity by Tenure Type, England, 2021-22



Source: Department for Levelling Up, Housing and Communities, English Housing Survey, 2021-22, CSJ Analysis of ‘Social Rented Sector Chapter 1 Annex Tables’

Over time, this contributes to the process identified in academic research across Europe as ‘residualisation’, the phenomenon where, as existing tenants leave, social housing is increasingly populated by tenants from households on the lowest incomes and with more significant social support needs.<sup>403</sup> Overall, this contributes to increased costs for housing providers whose budgets are financially stretched.

It is in this context of high need that the role of Housing Associations and Councils to deliver holistic support to tenants has become increasingly important. In 2018, the CSJ found that a third of housing associations see supporting their residents, and the wider community, into employment, education or training as a top priority. Despite the clear need within the tenure, many housing associations have told the CSJ they lack the support to carry out this important role.<sup>404</sup>

399 Citizens Advice, Getting A Council Home, n.d. Accessed: [www.citizensadvice.org.uk/housing/social-housing/applying-for-social-housing/getting-a-council-home/](http://www.citizensadvice.org.uk/housing/social-housing/applying-for-social-housing/getting-a-council-home/)  
 400 CSJ, Social Housing and Employment: Helping Social Housing Be a Springboard to A Better Life, July 2018, p. 7  
 401 Department for Levelling Up, Housing & Communities, National Statistics, English Housing Survey 2021 To 2022: Social Rented Sector, 13 July 2023  
 402 Ibid  
 403 Angel, S., “Housing Regimes and Residualization of The Subsidized Rental Sector in Europe 2005-2016”, Housing Studies, Volume 38, Issue 4, 1 June 2021, pp. 881 – 901  
 404 CSJ, Social Housing and Employment: Helping Social Housing Be a Springboard to A Better Life, July 2018, p. 14

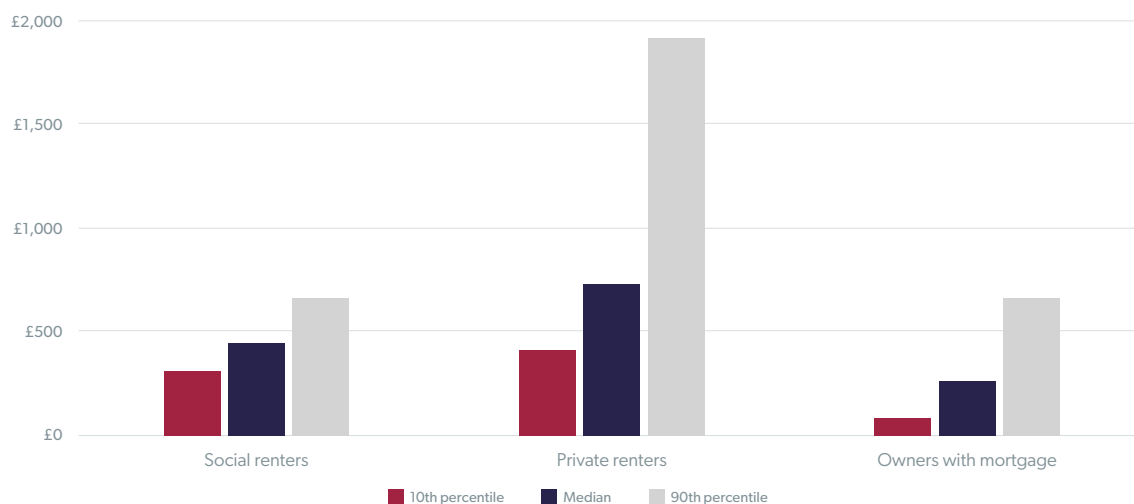
## The Rise of the Private Rented Sector.

*“It’s really difficult to move people on because accommodation is so expensive here. So, for people to afford a rent, it’s really difficult.”*

– Charity Leader, Chess Homeless

More of the most disadvantaged now live in the PRS. CSJ analysis found that some 63 per cent of low-income households (under £200/week in real terms), under the age of 45, now rent privately. This compares to just 29 per cent 20 years ago.<sup>405</sup> Meanwhile, the proportion of these households living in social housing halved from 41 per cent to less than 21 per cent in the same period.<sup>406</sup> For these households, the quality of homes is on average worse,<sup>407</sup> and they have substantially higher costs than equivalents who rent socially or who are homeowners, as shown in Figure 12.

Figure 12: Median, 10th and 90th Percentile Monthly Housing Costs, by Housing Tenure, 2019/20



Source: IFS Analysis of Family Resources Survey 2019/20, *Housing quality and affordability for lower-income households*

Institute for Fiscal Studies analysis has shown that private renters have substantially higher costs than households in other tenures, with the poorest percentile paying more for housing than their owner occupier and social renter equivalents, as shown above in Figure 12.

High costs in the PRS are particularly acute in the UK’s biggest cities. Average asking price rents in London continue to break records, surpassing £2,500 per month for the first time ever in Q1 2023.<sup>408</sup> Nationally, in 2021 that over two-thirds of private renters in the lower two income quintiles spend 30 per cent or more of their disposable income on rent, representing 1.2 million households.<sup>409</sup> In June 2023, YouGov polling revealed that 37 per cent of renters are struggling or behind with their rent.<sup>410</sup>

405 CSJ, *Raising the Roof: Building A Better Private Rented Sector*, October 2023, p.7

406 Ibid, p. 7

407 Walters, T., and Wenham, T., *Housing Quality and Affordability for Lower-Income Households*, Institute for Fiscal Studies, June 2023, pp. 1, 6

408 Rightmove, *Rental Price Tracker, Rents Hit 15th Consecutive Record, As Average Property Receives 25 Enquiries, Q3 2023*, n.d

409 CSJ, *Exposing the Hidden Housing Crisis: Public Attitudes To ‘Affordable Housing’ And Housing Policy*, November 2021, p. 7

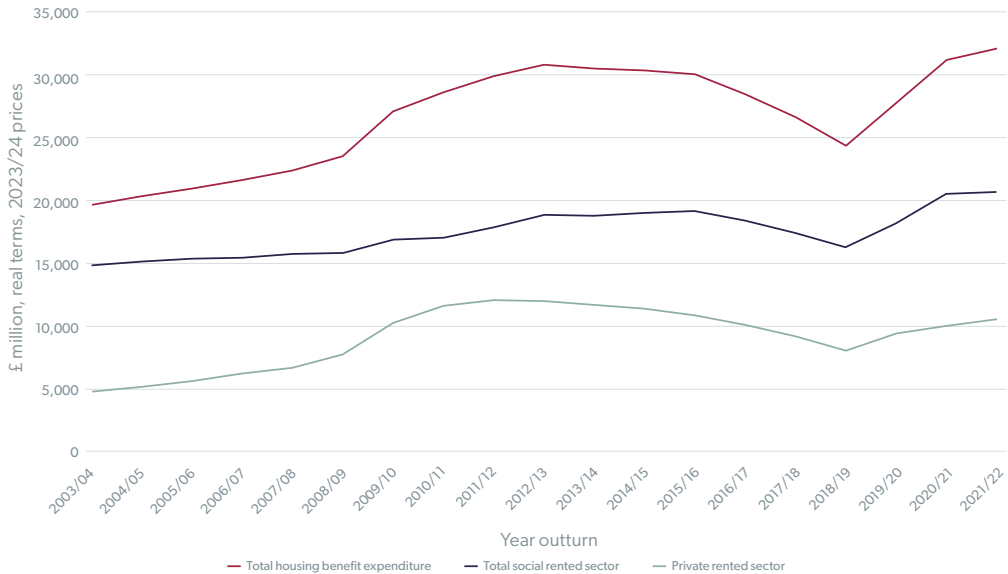
410 Shelter, *Half of Working Renters Only One Pay Cheque Away from Losing Their Home*, 22 August 2023

The PRS has increased as a share of total households over the last two decades. In 2004, the PRS accounted for just 11 per cent of households, rising to 19 per cent of total households in 2021-22.<sup>411</sup> In a watershed moment, the PRS became larger, as a percentage of total households, than the social housing tenure in 2011.

As the state has indirectly housed fewer low earners in social housing, it has become increasingly reliant on the PRS to do so. In Spring 2023, there were 2.4 million housing benefit claimants, of which 21 per cent lived in the PRS.<sup>412</sup> The cost to the state of the entire housing benefit bill is £29.6 billion a year.<sup>413</sup> This is more than the entire budget for the Department for Transport, the Home Office and Foreign Commonwealth and Development Office.<sup>414</sup> There is limited data on how much housing benefit goes directly into the personal wealth of private landlords. In 2016, the National Housing Federation estimated that private landlords pocketed £9.3bn of housing benefit.<sup>415</sup> The benefits of high PRS returns are privatised, with landlords seeing an increasing return on their property, whilst the costs are socialised, as the taxpayer picks up the cost of high private rents. Social housing remains the most cost-effective way to house low-income households. It has been estimated that every new social home built realises £780 in annual housing benefit savings.<sup>416</sup>

In real terms, the cost of housing benefits is at the highest level in 20 years. In 2023/24 prices, the bill for housing benefit accounts for £32bn in 2021/22, having risen continually from 2018/19 after falling from the beginning of the 2010s, as per Figure 13. Over time, households in the PRS have claimed a greater amount of housing benefit. The amount in real terms that PRS tenants have claimed in housing benefit has increased by 120 per cent since 2003/04, as per Figure 13.

Figure 13: Housing Benefits Expenditure in 2023/24 prices, by Tenure Type, 2003/04 – 2021/22



Source: DWP, Spring Budget 2023 Expenditure and Caseload Forecasts, CSJ Analysis of Housing Benefit

411 Department for Levelling Up, Housing and Communities, Statistical Data Set, English Housing Survey Data on Tenure Trends and Cross Tenure, 13 July 2023

412 Fitri, A., The UK Now Spends More on Housing Benefit Than on Most Government Departments, The New Statesman, 14 November 2022

413 Department for Work and Pensions, Research and Analysis, Benefit Expenditure and Caseload Tables 2023, 25 April 2023

414 Fitri, A., The UK Now Spends More on Housing Benefit Than on Most Government Departments, The New Statesman, 14 November 2022

415 National Housing Federation, Housing Counts, Private Renters and Housing Benefit, n.d. Accessed: [counts.housing.org.uk/stories/housing-benefit-claimants-in-employment](https://counts.housing.org.uk/stories/housing-benefit-claimants-in-employment)

416 Local Government Association, Comprehensive Spending Review 2020: LG Submission, 2020

In many areas private rent prices exceeded what Local Housing Allowance (LHA) awards claimants. In the 2023 Autumn Statement, the Government announced its intention to spend £1bn to ensure that LHA covers the bottom 30 per cent of market rents, giving 1.6 million households an average of £800 support in 2024, according to the Chancellor of the Exchequer.<sup>417</sup>

*"It's about creating communities that people want to be part of."*

**Football Beyond Borders, Big Listen London Big Listen**

*"It's tricky because we're having these conversations and [what we are talking about] those are people's homes and heritage and stuff, but they [homes] would not be new build approved at all."*

**Llanhilleth Miners Institute, Welsh Valleys**

*"I was meeting with people in Openreach in my last job; the managers were explaining that because a lot of social housing is older council housing, the infrastructure isn't available in the house to support fibre optic. The houses they are living in were built before fibre optic and can't easily be retrofitted. A new laptop doesn't help if the infrastructure is no good."*

**Crest Cooperative, Big Listen Wales**

The quality of a person's home was identified by the Commission as one of the most important factors that guarantees good housing. A good quality home ensures the health and wellbeing of the entire household, as well as making home a safe and comfortable place to live.

However, many people across the UK worry about the quality of their homes. Quality was identified by the Commission's polling as the second most significant aspect of housing that caused worry for the most deprived, whilst the general public rated it as third.

Despite bad quality homes being a continual problem for many households, there have been improvements over time. In 2004, the Labour Government introduced the Decent Homes Standard for social housing, which aimed to drive up standards in the tenure. In 2022, the Conservative Government published its PRS White Paper which recognised the increasing prominence of the PRS, and the high level of PRS homes that would fail the Decent Homes Standard if it applied.<sup>418</sup> It outlined the Government's ambition to make PRS properties liable for the Decent Homes Standard by 2030.<sup>419</sup>

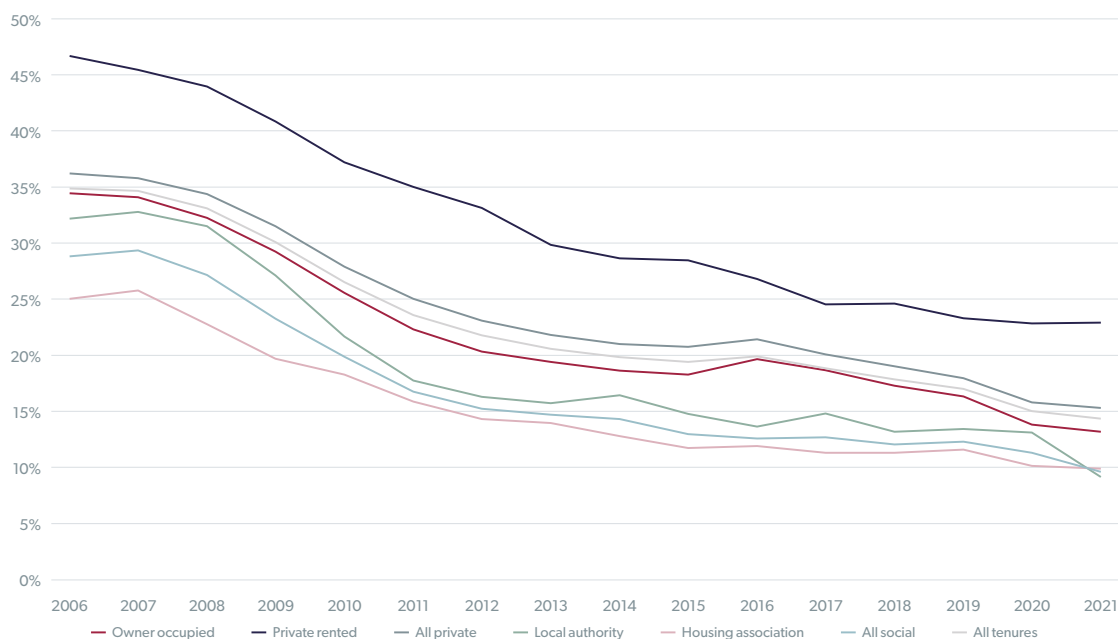
Whilst the Decent Homes Standard currently only has legal implications for the social rented sector, the English Housing Survey collects data on all tenures, as shown in Figure 14. The standard is designed to be applied to the social rented sector which predominantly features a much higher proportion of units from the middle of the 20th century and large tower blocks, which should be borne in mind when analysing the data.

417 HM Treasury and The Rt Hon Jeremy Hunt MP, Autumn Statement 2023 speech, 22 November 2023

418 Department for Levelling Up, Housing & Communities, A Fairer Private Rented Sector, June 2022, p. 4

419 Ibid, p. 7

Figure 14: Dwelling Failing the Decent Homes Criteria, England, 2008 to 2021



Source: Department for Levelling Up, Housing and Communities, CSJ analysis of 'English Housing Survey data on dwelling condition and safety'

Since 2006, there has been a falling trend in homes that fail the decent homes criteria in all tenures. Whilst there has been significant improvement since 2006, challenges remain particularly prevalent in the PRS. The positive trend that showed a fall in the number of PRS homes that fail the standard has now flatlined. From 2006 to 2017 there was a 22-percentage point fall in bad quality homes across the PRS. From 2017 onwards, there has been little improvement in the tenure, with just a two-percentage point fall.

Social housing remains below the national trend for homes failing the standard, with just ten per cent failing in 2021 compared to 29 per cent in 2006, a marked improvement and sign that the Decent Homes Standard has helped to drive up quality across the social rented tenure.

The Commission has heard how bad quality homes place barriers in the lives of individuals and families. The NHS understands decent and adequate housing as being "critically important for health and wellbeing"<sup>420</sup> and Public Health England say: "the right home environment is critical to our health and wellbeing; good housing helps people stay healthy and provides a base from which to sustain a job, contribute to the community, and achieve a decent quality of life".<sup>421</sup>

Despite the importance of quality housing to living a decent standard of life, millions of people across the UK lack this stable foundation. The percentages in Figure 14 equate to 3.4 million indecent homes across England of which 990,000 are in the PRS, constituting 23 per cent of homes in that sector.

Whilst in the social rented sector standards have been on the rise, the Commission heard testimonies from some charities about incredibly hazardous conditions in some local authority properties. The Link Hub in Sheffield said: "There's mould in council properties...they say we've got no money what we can do...we see extreme poverty now."

The Commission spoke to The Link for a second time in November 2023 where service user Paula shared her story of how a bad quality social home changed her life for good.

420 NHS London Healthy Urban Development Unit, HUDU Planning for Health, Rapid Health Impact Tool, April 2017, p. 26

421 Public Health England, Preventing Homelessness to Improve Health and Wellbeing, 1 July 2015



## Case Study – Link Community Hub

The Link Community Hub is located in the heart of the Stradbroke estate on the outskirts of Sheffield. Run by volunteers from the local community, The Link advocates and supports those experiencing multiple disadvantage in the local community. When visiting in June 2023, the Commission was told that housing was one of the most pressing issues for local people.

This is Paula's story.

In 2018, Paula had to flee her property due to domestic violence. Together with her son they were moved to a new council home on the Stadbroke estate. After two weeks, the problems began.

*"I had to flee my other property due to domestic violence, and I got moved up here and wanted to start again but all the problems that come with that flat, it was never-ending."*

*"The problems started straightway with mould and damp and leaks that never got tended to. I got left for over three years with constant leaks, mould, damp. It was eating away at all me furniture."*

*"Within a week of me moving in I had sewage backing up into my bathroom, through my taps, my toilet and it flooded all me bathroom within a week. We had wee and poo coming through taps. It was disgusting. And that's where the problems all started really."*

Despite Paula phoning the council repairs team, the problems only ever received sticking plaster fixes. When she finally got moved to a temporary property, she experienced similar problems.

*"I spent so many hours on the phone every day I was on the phone trying to get through to get these repairs done. It never got done. Appointments got booked in, but no one turned up to do the repairs...it took the MP, The Link and Councillor for them to do something."*

Paula's housing situation had dangerous ramifications for her health and wellbeing. She lost all her furniture due to mould, as well as precious belongings, such as her sons' baby clothes.

*"It was just like waking up or coming home every day to a new leak or new problem...on the phone for hours each day...it was getting frustrating and making me feel really low and [pause] suicidal. I just felt like I couldn't go [on]."*

*"It's affected me every day. I mean, all the stuff that I've lost and all of my personal stuff. I'll never be able to get back all me son's baby stuff. I've lost it all. Its [pause] my mental health, it's like it's knocked me back...my decant property has leaks everywhere and its like they moved me out of that one, put me into this one, and left me." [sic]*

*"I mean I lost so much. I'm never going to get it back."*

Despite serious ongoing challenges, Paula has found refuge and a voice in The Link. She has started working as a volunteer in the charities' shop, and The Link regularly advocates on her behalf to statutory services.

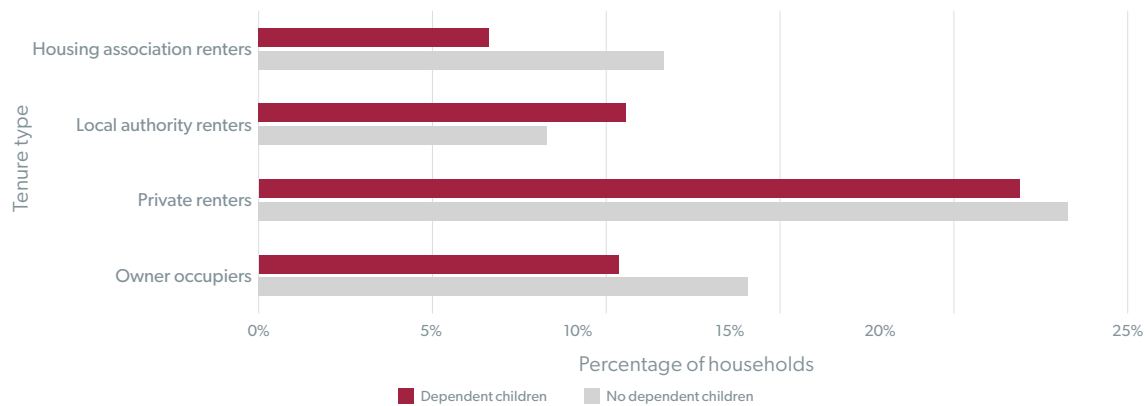
Charity Leader – “Paula needed to stay in the area for the support she was getting, which were really important. The response you got initially from the council was that ‘it’s a decant property and you have to go where we tell you’. But we worked with housing officers didn’t we and councillor to make sure you stayed in this area. If we hadn’t been here, then Paula could have ended up anywhere.”

Paula - “Anywhere. It was so scary for me.”

“[The Link] helped me socialise, with confidence. I also used to not be able to walk around without being scared, my head down, I wouldn’t associate with anyone. But now I can a lot better, I can associate with people. I can deal with things if I need support, I can ask for support from anyone here. Any everyone’s always so supportive and lovely. I work on the shop floor which is a big thing for me. I’ve been building my confidence, it’s been awesome, I’ve never done anything like this before, so it’s been brilliant, yeah.”

The Commission was told by families suffering from bad quality homes about the impact it has on children’s development and education. The latest data from the English Housing Survey shows that quality issues are particularly prevalent for households with dependent children in the PRS and local authority social housing, the latter being the only tenure type with a higher proportion of households with dependent children in non-decent homes than households with none, as shown below in Figure 15.

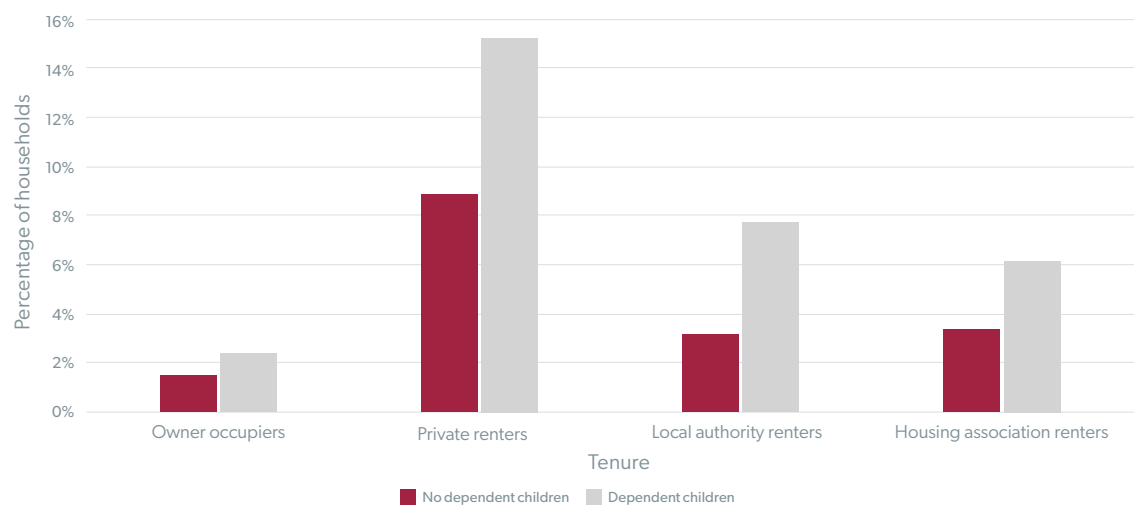
Figure 15: Percentage of Non-Decent Homes by Tenure and Dependent Children, England, 2021-22



Source: Department for Levelling Up, Housing and Communities, English Housing Survey, CSJ analysis of ‘English Housing Survey 2021 to 2022: housing quality and condition’

21.9 per cent of households with dependent children in the PRS live in non-decent homes, the highest of any tenure, followed by 10.6 per cent of local authority renters. This trend is repeated in Figure 16 which shows the percentage of households by dependent children that are damp.

Figure 16: Percentage of Households that have Present Damp by Tenure and Dependent Children, England, 2021-22



Source: Department for Levelling Up, Housing and Communities, English Housing Survey, CSJ analysis of 'English Housing Survey 2021 to 2022: housing quality and condition'

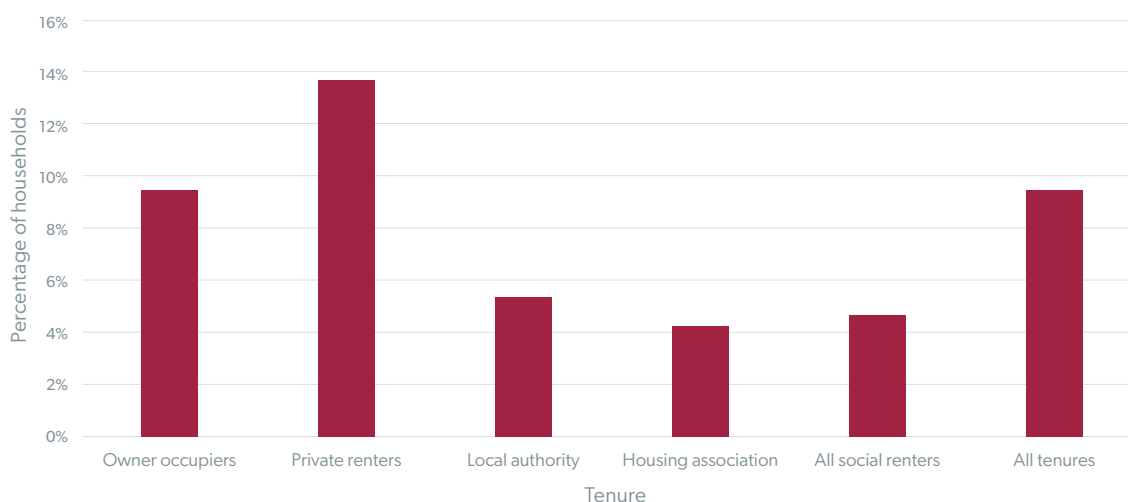
The PRS has the largest proportion of households with dependent children living in damp conditions. 15.2 per cent of households with dependent children in the PRS live in damp homes, compared to 8.9 per cent of households with no dependent children. Out of local authority renters, the proportion of households with dependent children living in damp homes is more than twice the amount of damp homes without dependent children. In September 2023, the Government issued guidance on health risks from damp and mould in rented housing following the death of two year old Awaab Ishak due to mould in the home.<sup>422</sup>

A significant percentage of homes also have Category 1 hazards, which are those where the most serious harm outcome could occur, for example, death, paralysis, loss of limb or serious fracture.<sup>423</sup> In 2021-22, 9.4 per cent of all homes had a Category 1 Fail, rising to 13.7 per cent of all PRS households, as per Figure 17. Social Renters were the least likely to have a Category 1 hazard, especially those in Housing Association properties.

422 Department for Levelling Up, Housing and Communities, Damp and Mould: Understanding and Addressing the Health Risks for Rented Housing Providers, 7 September 2023

423 Cotswold District Council, Housing Health and Safety Rating System (HHSRS) Category One Hazards, n.d. Accessed: [www.cotswold.gov.uk/media/jx1k5qg1/category-one-hazards.pdf](http://www.cotswold.gov.uk/media/jx1k5qg1/category-one-hazards.pdf)

Figure 17: Percentage of Households That Have a Category 1 Fail, England, 2021-22



Source: Department for Levelling Up, Housing and Communities, English Housing Survey, CSJ analysis of 'English Housing Survey 2021 to 2022: housing quality and condition'

Despite improvements over the last decade, for the millions of families who live in dangerous, damp and non-decent homes, housing is a barrier to living a satisfactory life. On a visit to the Link Community Hub in Sheffield, one charity leader told the Commission that bad quality housing was one of the most important causes of people mistreating the local area with littering, fly tipping and other forms of anti-social behaviour. They said that as the quality of housing declined, people's sense of community, belonging, and pride followed.

*"The area is dirty, it's unloved, it doesn't look nice, you don't have a community like you did."*

**Charity Leader, Link Community Hub, Sheffield**

Poor-quality homes increase costs for public services. In 2021, the BRE Group found that poor quality housing was likely costing the NHS £1.4bn a year in health problems caused by housing hazards.<sup>424</sup> The top hazard was excess cold, costing the NHS 118.6 per cent more a year than the second top hazard, falls on stairs.<sup>425</sup>

The Commission's polling found that those renting from either the council or housing associations did not have significant disparity between the types of issues they feel are holding them back from living the life that they want to live. For the general public, low wages are highlighted as the biggest factor holding them back from living the life they want to live.

This is in contrast to the most deprived, who while are similarly concerned about housing as the general public, view mental ill health and physical ill health as the biggest factors holding them back from living the life they want to live. In this way, housing concerns for the most deprived go hand-in-hand with health issues, indicating that improving one may have an impact on another.

424 BRE Group, BRE Report Finds Poor Housing Is Costing NHS £1.4bn A Year, 9 November 2021

425 Ibid

# Security

## Security of Tenure

Security constitutes the third pillar of good housing and refers to the longevity and certainty of a person's tenure. It has implications for how able people are to commit to a community and invest in a local area. It ensures security for children at school, for research has shown that regular moves for children have a detrimental effect on their education, resulting in lower grades, absence and behaviour difficulties.<sup>426</sup>

Despite the importance of housing security to people's wellbeing, the Commission's polling found that over three in ten of the most deprived worry about the security of their housing, compared to two in ten of the general public.<sup>427</sup>

Whilst insecurity is more prevalent in the PRS than other housing tenures, the rise in interest rates since the COVID-19 pandemic has led to increased insecurity for owner occupiers with mortgages. In the summer of 2023, Bank of England data revealed that British lenders had seen the biggest increase in mortgage defaults since 2009.<sup>428</sup> Households which have historically been considered more secure are being tested by the cost-of-living crisis.

Within the renters' demographic, the Commission has identified that low-income renters in the PRS are more likely to experience insecurity than those in social housing. PRS tenants are more likely to have to move when rent increases, and with the overall waiting list for social housing at 1.2 million households,<sup>429</sup> there is very limited scope to find more affordable accommodation than the home in which they currently live.

The Chelmsford based charity, Chess Homeless, told the Commission: *"Private rent is exceedingly difficult, if there is any affordable rent, landlord choose to take on less risky people."* Within the context of demand outstripping supply, low-income renters are increasingly being outbid or disregarded in favour of tenants who may have higher paying jobs or can offer more money in advance.<sup>430</sup>

## Relationship with Landlords

Insecurity for renters, particularly in the PRS, is often due to a negative relationship with their landlord. Despite 80 per cent of PRS tenants being satisfied with their accommodation, there is a significant minority of tenants who have to deal with unprofessional, absent, and neglectful behaviour by landlords.<sup>431</sup>

An important minority of tenants are vulnerable to exploitation by rogue landlords. Government data indicates there are estimated to be 10,500 rogue landlords involved in the exploitation of tenants across the country.<sup>432</sup> Experiences of exploitation were communicated to the Commission, often by the most disadvantaged people with multiple complex needs.

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426 The Children's Society, *Moving, Always Moving*, 2020, p.13

427 Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

428 Reuters, *UK Lenders Expect Mortgage Supply and Demand to Fall in Q3: BoE Survey*, 13 July 2023

429 Department for Levelling Up, Housing and Communities, *National statistics, Social Housing Lettings in England, tenants: April 2021 to March 2022*, 27 June 2023

430 Financial Times, *Extreme Renting: London's Bidding War Escalates as Rising Rates Hit Buy-To-Let*, 4 September 2023

431 CSJ, *Raising the Roof: Building A Better Private Rented Sector*, October 2023, p. 6

432 Institute of Government & Public Policy, *Tackling Rogue Landlords 2023, Overview*, n.d. Accessed: [igpp.org.uk/event/Tackling-Rogue-Landlords-2023](https://igpp.org.uk/event/Tackling-Rogue-Landlords-2023)

In Rotherham, Rush House told the Commission: *“Private rental is just completely out of their budget...we asked people to show us their tenancy agreement, they didn’t know what it was...we’ve seen people who have had their ID taken almost as bond on a property.”* The same charity also told the Commission about a tenant who they had assisted, who did not know what a tenancy agreement was. When pressed, she pulled out *“the back of a cigarette packet which had scribbled on, you owe me this on this day. Signed.”*

## Insecurity in Supported Exempt Accommodation

Supported exempt accommodation, referred to from now as supported accommodation, is a broad term which includes a wide range of different housing types and tenures. Group homes, hostels, refuges, supported living complexes and sheltered housing are all types of supported accommodation.<sup>433</sup> Whilst just 153,701 households lived within supported accommodation in 2021, these households are made up of some of the most vulnerable and disadvantaged groups in society.<sup>434</sup> It is often used as accommodation for people with very few housing options and households that have been made unintentionally homeless, such as refugees, prison leavers and those with substance abuse issues.<sup>435</sup>

Supported accommodation is exempt from certain local housing allowance regulations, meaning tenants are able to claim for the majority of their housing costs above the level set by local reference rents and LHA. Housing benefit will usually cover the entirety of a claimant’s rent to a supported accommodation provider. There is a requirement for the landlord to provide the tenant with care, support, and/or supervision. Higher rents are usually charged to cover the ‘intensive housing management’ and an additional ‘service charge’ for care and support.<sup>436</sup>

The Commission has spoken to providers of supported accommodation across the UK, as well as to charities providing support to people who live within the tenure. Whilst witnessing examples of best practice, it was also told stories of exploitative providers, a lack of comprehensive support and criminal activity prevalent in the supported accommodation sector.

There is no single regulator of supported housing, and the system has come under increased scrutiny and criticism in recent years. Indeed, the Levelling Up, Housing and Communities Parliamentary Select Committee published a report in 2022, highlighting the shocking state of the sector.<sup>437</sup> At present, unscrupulous providers are able to exploit loopholes, obtaining vast amounts of housing benefit payments from their clients, whilst not providing the care, support, or supervision they are by law required to. It’s been found that some providers have included criminal gangs, who use the system to launder money.<sup>438</sup>

Chess Homeless told the Commission: *“There are lots of groups in places like Leeds, Birmingham that are exploiting it [exempt accommodation]. They’re renting out shoe boxes, under stairs cupboards, they’re taking the right mick... there has to be legislation to safeguard people and to get best value for money”.*

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433 Wilson, W., Supported Exempt Accommodation (England), House of Commons Library, 11 September 2023, p. 6

434 Ibid, p. 8

435 Inside Housing, The Story Explained: What Is Exempt Accommodation, 3 December 2021

436 Inside Housing, The True Cost of Exempt Accommodation, 21 November 2022

437 House of Commons Levelling Up, Housing and Communities Committee, Exempt Accommodation, 27 October 2022

438 UK Parliament, Exempt housing and support services are a ‘complete mess’, says Committee, 27 October 2022

Ruth Jacobs from Crisis told the Commission that the broader supply crisis in affordable and social housing and the lack of funding for support services and provision such as Housing First, are two of the key drivers of growth in the non-commissioned supported accommodation sector.

Crisis told the Commission that: *“Too often this has resulted in shocking provision delivered by landlords seeking to exploit higher benefit rates, with an absence of effective support. Bob Blackman MP’s Supported Housing (Regulatory Oversight) Act, which Crisis worked on through its Regulate the Rogues campaign, will introduce new local authority licencing powers and national standards for supported housing. These welcome reforms now need to be backed by additional resources so that councils can build capacity to implement their new oversight powers.”*

Whilst the scale of negative experiences of exempt accommodation are unknown, the House of Commons LUHC Committee found that there was a *“complete breakdown of the system which calls for immediate action from Government”*.<sup>439</sup>

In their inquiry, the LUHC Select Committee summarised the devastating impact of exploitative supported accommodation as *“The impact of experiences such as these is that some people, who are already vulnerable when they enter exempt accommodation on the promise that they will receive support, become more traumatised than before. For other residents, the cost of their exempt accommodation has been their very lives, some people dying of drug overdoses and others even being murdered by fellow residents.”*<sup>440</sup> Rising demand is testament to the growing complexity in people’s lives and lack of preventative services that currently exist in communities across the country. Charities the Commission visited, such as Trevi Women and Chess Homeless, demonstrate the best practice in the sector, but are struggling to meet rising demand in their area. Insecurity and bad practice within the sector are also compounding the disadvantage and personal difficulties faced by tenants.

Providers of exempt accommodation told the Commission the urgent need for better organised services, with funding directed into early intervention. When the Commission visited Trevi in Plymouth, a residential rehabilitation centre for mothers and children, they told the Commission about the need for preventative, relational and adaptable support services. They said:

*“These women slip through services because services aren’t set up to provide support to these women...it’s about being flexible and being able to react to whatever is put in front of you... I don’t want to sit here and moan about money, but the kneecapping of local authority budgets is horrific... There is a disconnect between statutory and public sector...women go through housing and are made to feel ashamed.”*

## Charity leaders at Trevi Women went on to say:

*“It’s about more investment in early intervention, family hubs, social workers taking more time and having smaller caseloads...local authorities should invest in what we know works, relationship-based practice...it’s about relationships and people with human contact, to tackle social isolation. You used to have appointments at the housing office and see a GP. The scaling back of service has meant some people have a gap in contact. Some people don’t see anyone all b\*\*\*\*\* week.”*

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439 House of Commons Levelling Up, Housing and Communities Committee, Exempt Accommodation, 27 October 2022, p. 18

440 House of Commons Levelling Up, Housing and Communities Committee, Exempt Accommodation, 27 October 2022, p. 11

In Chelmsford, similar experiences were iterated by Chess Homeless who told the Commission that as funding for local authority support services was cut, they saw a surge in demand for their supported accommodation provision.

*“Dual diagnosis is a barrier, you’ll have a client who is ready to access a specific service, but they get played off against each other...Mental health services say they need addiction services, vice versa... We’re told we’re not professionals but we’re the ones who are left with the individuals that mental health services won’t take.”*

*It’s a real struggle to get mental health taken seriously...There is nowhere for people with substance misuse issues to go...Nobody would take responsibility for one person, and now she’s back on the street because no service would take responsibility for her...The drawbridges are coming up on local authorities. We’re not going to accept you, we’re not going to accept you.”*

*The police sometimes drop people off at our door, completely inappropriate people, we’re full, imagine what that must be like for them...We aren’t that specialist provision, but when the statutory services fail, we become convenient and fill the gap...We are often the dumping ground, it’s sad, this is a person’s life.”*

**Focus Group with Chess Homeless Charity Leaders**

The pressures experienced by frontline housing charities increased during the COVID-19 pandemic and never returned to stable levels. The lack of investment in public preventative services, as well as a failure to adequately partner with the third sector, has led to a situation where frontline charities are struggling to meet the immense needs of their communities.

## Homelessness

*“Homelessness is hidden. It’s in hotels...because those people are in hotels, the council treats them as being ‘housed’ but they’re not in a proper house.”*

**Crest Cooperative, Big Listen Wales**

Housing insecurity manifests most harmfully when a household becomes homeless. The enduring problem of homelessness remains persistent across many of the communities the Commission visited in its inquiry. There is an urgent need for greater preventive support services to tackle homelessness at its root causes. Analysis by the CSJ in 2021 highlighted the significant support needs of most homeless people. Two-thirds of rough sleepers across England are estimated to have moderate to high needs and are likely to need tailored support to resolve their homelessness and sustain a settled home.<sup>441</sup>

Insecurity has often been the dominant experience of housing for those that are homeless. Yet the policy levers currently being pulled to rehouse people who are homeless often lead to greater insecurity. Even when people who are homeless are offered a type of supported or temporary accommodation, their tenure is often insecure and liable to change.

441 CSJ, Close to Home: Delivering a National Housing First programme in England, February 2021, p. 48



Ruth Jacob from Crisis told the Commission that *“Too often at present it is assumed that single adults experiencing homelessness must spend time in hostels or other forms of insecure, supported exempt housing before accessing a settled home. Even where this type of temporary housing is of a decent quality, it can be destabilising and marginalising.”*

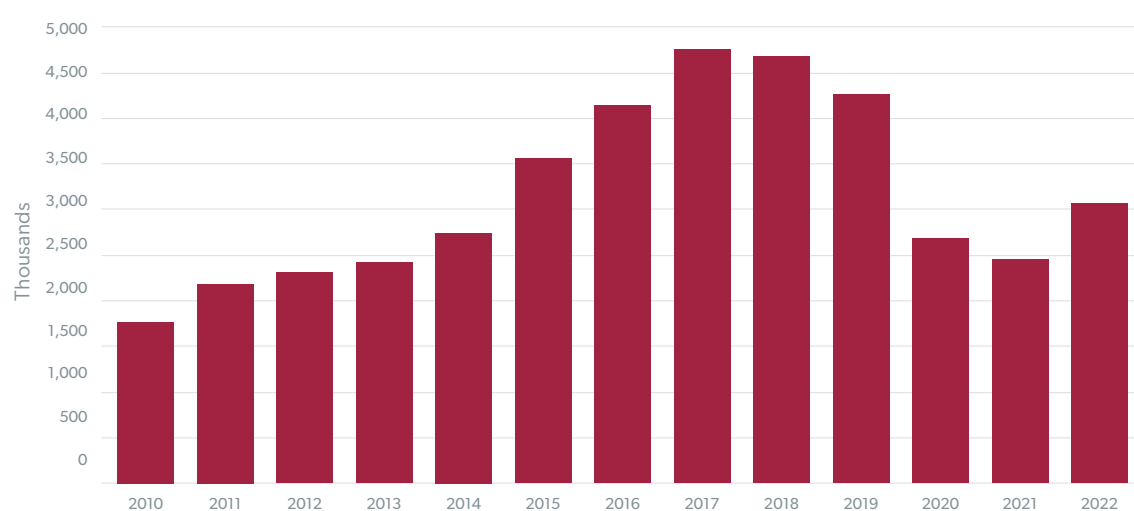
Homelessness is a complex issue and takes multiple different forms. Crisis define the different types of homelessness as:<sup>442</sup>

1. Sleeping rough – people who have no permanent home, have not been offered or have refused other accommodation and are sleeping on streets or in parks. This is the most visible type of homelessness.
2. Statutory homelessness – lacking a legal place to live and in receipt of council support. Many of these people are in temporary accommodation.
3. Hidden homelessness – people not entitled to temporary accommodation or other forms of housing or who don't approach statutory services for help.

## Sleeping Rough

Rough sleeping is the most visible form of homelessness and is fraught with danger and insecurity. However, for most people who lose their home and become statutorily homeless, they will not end up sleeping rough. Due to a lack of data, it is difficult to form a complete picture of how trends in rough sleeping have changed over time. From 2010 - 2020, rough sleeping statistics began to be derived from snapshot surveys. As per Figure 18, the number of people rough sleeping in 2010 on a single night was 1,768. This rose to a high in 2017 of 4,751, an increase of 169 per cent from 2010. From 2017 to 2022 the number of rough sleepers has fallen to 3069, with a rapid fall taking place during the COVID-19 pandemic.

*Figure 18: Estimated Number of People Sleeping Rough on a Single Night in Autumn, England, 2010 to 2022*



Source: Department for Levelling Up, Housing and Communities, CSJ analysis of 'Rough sleeping snapshot in England: autumn 2022'

442 Crisis, About Homelessness, n.d. Accessed: [www.crisis.org.uk/ending-homelessness/about-homelessness/](http://www.crisis.org.uk/ending-homelessness/about-homelessness/)

The reduction in rough sleeping over the COVID-19 pandemic can be attributed to the success of the *Everyone In* scheme, which aided those who wouldn't normally be entitled to assistance under statutory requirements. Under the scheme, local authorities were required to bring as many people as possible into secured accommodation. Hotels, hostels, student accommodation and holiday rentals were block booked by councils and remained open during lockdowns if they were providing rooms to support homeless and vulnerable people.

Government analysis found that the early phase of the *Everyone In* initiative meant that almost 15,000 people who had been sleeping rough or who were otherwise at risk had been provided with emergency accommodation by May 2020.<sup>443</sup> University College London argued that this action actually saved the lives of many people experiencing homelessness during the first wave of the pandemic.<sup>444</sup> What characterised the *Everyone In* scheme was security. *Everyone In* gave those participating the foundation of secure accommodation on which to receive support and make positive changes to their lives so when they left the accommodation, they would be less likely to experience homelessness.

Despite the scheme and a huge drop in the number of people rough sleeping over the COVID-19 pandemic, figures have started to increase again. The continuing pressures of housing cost, quality and insecurity, employment and personal complexities such as experiences of addiction and debt are likely contributing to this increase. In 2021 the CSJ published research which highlighted concerns by charities that the flow of rough sleepers onto the streets had not stopped over the COVID-19 pandemic.<sup>445</sup> The number of people sleeping on the street on a single night is just the tip of the iceberg. Thousands continue to find themselves on the streets for the first time each year.<sup>446</sup>

## Statutory Homelessness

Temporary accommodation (TA) is offered to unintentionally homeless households for whom the local authority has a long-term duty to house. These are often households who have become unintentionally homeless, have a priority need (e.g. domestic abuse), or who meet certain immigration criteria.<sup>447</sup> Households in this situation are classed as being statutory homeless.

Problems in the overall supply of housing has led to shortages in temporary accommodation, as well in 'move on' accommodation. This means that households can remain within temporary accommodation for often years at a time, adding a substantial amount of insecurity to the lives of those living in the sector.

Households in temporary accommodation previously peaked in 2005 at 101,000, before falling and rising again from 2011.<sup>448</sup> In Q1 2023, there were 104,510 households in TA, including 131,370 children.<sup>449</sup>

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443 Ministry of Housing, Communities & Local Government, Coronavirus (COVID-19) emergency accommodation survey data: May 2020, 3 June 2020

444 University College London, COVID-19: Emergency homeless accommodation saved hundreds of lives, 25 September 2020

445 CSJ, Close to Home: Delivering a national Housing First programme in England, February 2021, p.52

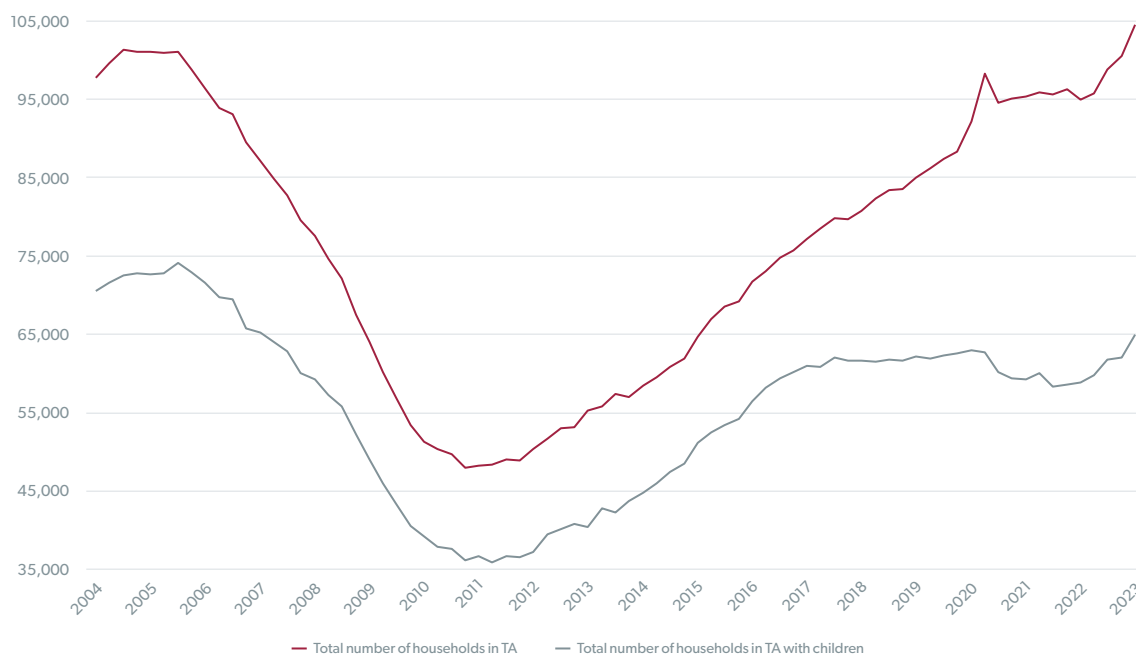
446 Ibid

447 Shelter, Get Help from The Council, n.d Accessed: [england.shelter.org.uk/housing\\_advice/homelessness/get\\_help\\_from\\_the\\_council#:~:text=Getting%20council%20help,meet%20immigration%20and%20residence%20conditions](https://england.shelter.org.uk/housing_advice/homelessness/get_help_from_the_council#:~:text=Getting%20council%20help,meet%20immigration%20and%20residence%20conditions)

448 House of Commons Library, Households in Temporary Accommodation (England), 30 January 2023, p. 12

449 Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities & Local Government, Tables on Homelessness, 30 November 2023

Figure 19: Households in Temporary Accommodation, with Children, England, 2004 to 2023



Source: Department for Levelling Up, Housing and Communities, CSJ analysis of 'statutory homelessness live tables'

Despite levelling out from 2020, with the number of TA households with children declining over the COVID-19 pandemic, there has been a sharp rise in TA from the end of 2022 to 2023. Despite not increasing at the same pace as all households in TA, the number of children living within TA is at its highest level for more than 15 years.

The longevity of household stays in TA, although not necessary the same home, is much longer than it should be. Shelter has found that six in ten households in TA have been there for longer than a year.<sup>450</sup> Shelter attribute the sharp increase in TA from 2011 onwards to caps on housing benefit over the last decade. As private rentals, which drove the sharp decrease from 2005 to 2010, became unaffordable for low-income households, many were placed within TA.<sup>451</sup>

The scarcity of social housing has led to a new sector of private temporary accommodation providers, with annual costs rising to £1.1 billion.<sup>452</sup> Local authorities spent at least £1.6bn on temporary accommodation in 2021/22, a 39 per cent increase in real terms expenditure since 2010-11.<sup>453</sup>

In Q1 2023, 13,780 households were accommodated in TA Bed and Breakfasts (B&B), adding a layer of instability and difficulty to their lives. Despite success in reducing the number of children living in B&B between 2017 and 2022, numbers have risen sharply in the last two years; an increase of 131 per cent in just over a year, as per Figure 20. The number of families with children living in hostels is now at a 20 year high.

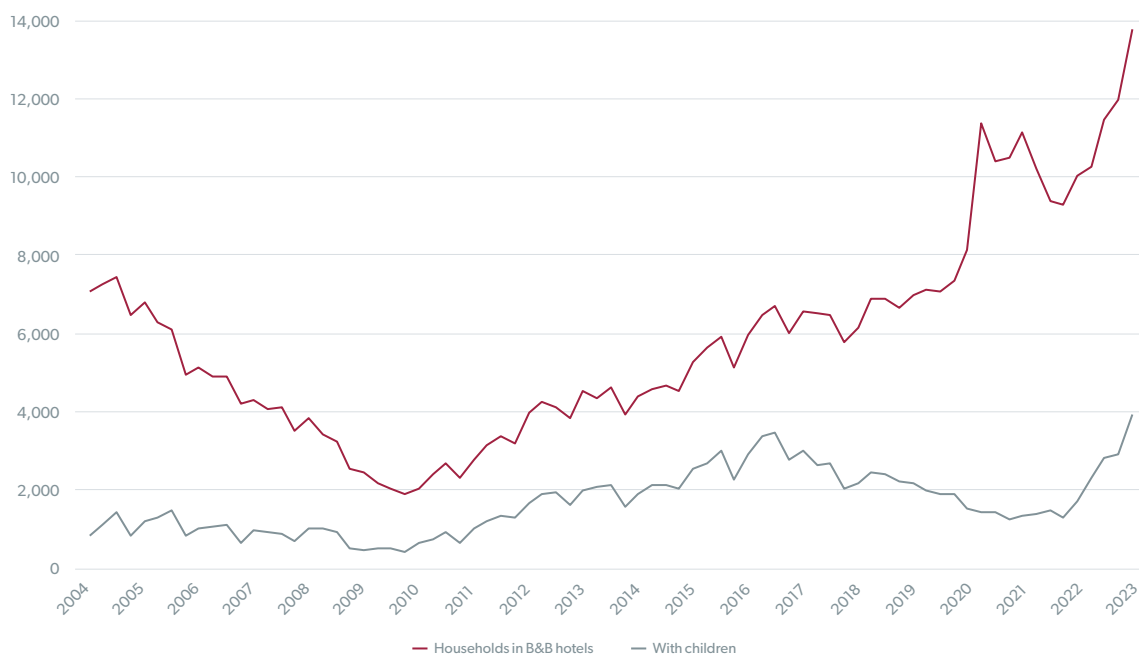
450 Shelter, Still Living In Limbo: Why The Use of Temporary Accommodation Must End, 2023, p. 18

451 Ibid, p. 42

452 Shelter, Cashing In, February 2020, p. 3

453 House of Commons Library, Households in Temporary Accommodation (England), 30 January 2023, p. 5

Figure 20: Households in Temporary Accommodation Housed in B&B Hotels, England, 2004 to 2022



Source: Department for Levelling Up, Housing and Communities, CSJ analysis of 'statutory homelessness live tables'

Throughout the country the Commission heard stories of the impact that TA has on families and children.

*"There are a huge number of families in temporary accommodation, this has a massive impact on children and being able to access school."*

**Cornwall County Council Officer**

*"Because those people are in hotels, the council treats them as being 'housed'. But they're not in a proper house...it's a horrible cycle—it affects the kids' results in schools, it affects diet, everything."*

**Crest Cooperative, Big Listen Wales**

*"The providers of the B&B are not only providing holiday accommodation, but they have also got men and women in their that have massive complexities."*

**Charity Leader, Trevi**

The Commission visited the Moses Project, an addiction recovery charity in Stockton-on-Tees where one young man explained how his time at the project provided a break from his hostel, although The Moses Project is a rehabilitative day centre not a residential initiative. He told the Commission how the council placed him in hostel accommodation after returning from a drugs rehabilitation residential centre and how on his return to TA he was immediately approached by a drug dealer who asked him – “*When are you starting [using drugs] again?*”. [sic] After thousands of pounds was spent by the taxpayer on this participant’s rehabilitation, he said “*I was set up to fail*” by the state of temporary accommodation.

Another service user at the Moses Project had a similar view of his hostel accommodation. It gave him no security, no sense of home and actively made recovering from his addiction harder. He said:

*“I’ve had to try and sort myself out. About 3 or 4 months ago, I knew of the Moses [Project] but I hadn’t come. I came the odd Thursday night. But started coming about 3 or 4 months ago. It’s been brilliant, brilliant. It’s a break away from hostel. It’s horrible, it really is horrible. It comes up to your pay day and half the hostel has your pay day written down. This is my breakaway, I come away from that and this is my breakaway.” [sic]*

**Service User, Moses Project, Stockton-on-Tees**

When the Commission spoke to Trevi Women, a refuge in Plymouth, a charity leader told the Commission similar stories of vulnerable women placed in unsuitable temporary accommodation.

*“These women are placed in guesthouses, you know you could have Mr Smith who’s just on his way to get the ferry over to Roscoff. They’re placed in normal B&B’s in massively unstable circumstances, some are going to court the next day!”*

**Charity Leader, Trevi Women, Plymouth**

Trevi Women told the Commission stories of several women who were placed in similar circumstances to the women above. The Commission was told of a woman who left her B&B accommodation to re-enter the home of an abuser, choosing that over the instability and unsuitability of a hostel B&B.

Many people are moved between different temporary accommodation units. Shelter found that three in ten households have lived in three or more temporary accommodations. They found that one person had moved 14 times whilst 62 per cent were given less than 48 hours’ notice when they were moved between homes. This creates a huge amount of uncertainty and stress for families as well as placing barriers in their way to enjoy the benefits of stable community life.<sup>454</sup>

The shortage of temporary accommodation has resulted in many people being housed far from their home areas. Nearly four in ten households that live within temporary accommodation are living in another local authority to where they are from.<sup>455</sup> The wider supply crisis in housing limits move on capacity, meaning many are stuck in temporary accommodation for years. Shelter has found that two-

454 Shelter, Still Living In Limbo: Why The Use of Temporary Accommodation Must End, 2023, p. 8

455 Ibid, p. 68

thirds of families living in TA have been there for more than 12 months.<sup>456</sup> Shockingly, some families have been housed in TA for more than ten years.<sup>457</sup>

TA is only meant to be a housing measure for a limited period before families and individuals can be re-housed in a permanent home. Too many individuals and families are trapped in Temporary Accommodation, without the security and benefits of a stable home. At the Big Listen Wales, one charity told the Commission: *“In Conwy a lot of people decide to retire to our area, and that means the price of housing is artificially inflated. There’s a huge waiting list for social housing. There are bed and breakfasts and hotels full of people used as temporary accommodation.”* The lack of supply and rising costs in Conwy were given as reasons for huge waiting lists in social housing as well as bed and breakfasts and hotels being used for temporary accommodation. Chess Homeless in Chelmsford summarised the crisis as: *“There are so many broken elements in the system that don’t enable someone who is vulnerable to live a whole life in any way shape or form.”*

For households in TA, the lack of long-term security and a home to call their own can have a devastating impact. Those living in TA face multiple barriers in accessing the services and social networks they need. The impact of long spells in TA spans all aspects of life including health, education, child development and personal financial management.<sup>458</sup> The Cardinal Hume Centre found that households in TA struggled to afford and obtain the furniture they needed and felt unsafe in their homes. Working parents faced barriers to work such as not knowing where they might be moved next. Mothers in TA were concerned about the space their children had to play and worried about stunted development.<sup>459</sup> Shelter has found that one in three families in temporary accommodation are living in just one or two rooms.<sup>460</sup> One in four households do not have anywhere to eat outside of the room they sleep in and three in ten feel unsafe in their home.<sup>461</sup>

The APPG on Households in Temporary Accommodation, in partnership with the Shared Health Foundation and Justlife, found five key themes uniting the experiences of those in TA. Poor maintenance, lack of basic household goods and services, accessibility issues, sense of unsafety and feeling unsupported.

## Hidden Homelessness

Often unseen and difficult to gauge is hidden homelessness. This category accounts for people who do not have a permanent home but also are not in receipt of temporary accommodation. For example, this category of people could be sofa-surfing, squatting, living in annexes, sheds, or mobile structures. The ONS has stated that it is not currently possible to estimate the true scale of hidden homelessness,<sup>462</sup> but estimate that from 2019 to 2021, there were 538,000 households that had someone staying with them who would have otherwise been homeless.<sup>463</sup> The latest estimate for squatting was 20,000 in 2011.<sup>464</sup> However, the London Assembly indicates that the figure for hidden homelessness is probably higher than those visibly rough sleeping.<sup>465</sup>

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456 Ibid, p. 58

457 Shelter, Non-So-Temporary Accommodation, 19 December 2022

458 Rice. B, The Experiences of Families Living in Temporary Accommodation in Westminster, February 2023, p. 4

459 Ibid, pp. 6-7

460 Shelter, Still Living in Limbo: Why the Use of Temporary Accommodation Must End, 2023, p. 31

461 Ibid

462 ONS, “Hidden” Homelessness in the UK: Evidence Review, 29 March 2023

463 Ibid

464 Ibid

465 London Assembly, Hidden Homelessness in London, September 2017, p. 1

The Commission has heard about the prevalence of hidden homelessness across the course of its inquiry. In Rotherham, a supported accommodation provider, Rush House, told the Commission: *“People’s perception of homelessness should change...there’s any number of individuals that are sofa surfing, and then people that you know, the general public wouldn’t know about those individuals and people can spend years doing that.”*

Whilst the overall number of people hidden homeless is unavailable, charities told the Commission that it was an issue they regularly came across in their work. A lack of an address will place innumerable barriers in the way of a person to having a satisfactory life. Having no address will result in missed correspondence for work, health and relational matters, a lack of valid ID and little opportunity for work.

## Housing – a New Poverty Trap?

A lack of the three foundational pillars that guarantee good housing, affordability, quality, and security can act as a poverty trap and exacerbate existing disadvantage. Charities told the Commission the impact of bad housing on work and opportunity, education, addiction, crime, modern slavery, community life, family, and debt.

### Impact on Work and Opportunity

Unaffordable housing reduces disposable income after housing costs, making work not pay and impacts people’s ability to succeed and do well in at work and in relationships. Research from Harvard University found that promoting housing stability could contribute to employment stability.<sup>466</sup> The Joseph Rowntree Foundation highlighted in 2016 that housing can be a spatial barrier to employment – “housing areas are distanced from areas dense with job opportunities”, with the most disadvantaged lacking adequate commuting options.<sup>467</sup> Furthermore, the resulting health problems from bad quality housing effects an individual’s ability to thrive at work. The effects of damp, cold, mould and noise all serve to disadvantage a person in the workplace.

### Impact on Education

Bad housing negatively impacts a child’s education. Educational failure can perpetuate cycles of poverty and disadvantage for the rest of a child’s life. On the other hand, good housing can set a child up for a positive educational experience, helping them to go to school ready to learn and having a stable retreat to return to. A Shelter report from 2018 found that 91 per cent of teachers said they have seen the impact of bad housing on children’s ability to arrive to school on time. 88 per cent have seen homelessness and bad housing contribute to children being absent from school. Arriving at school unwashed, hungry or in uniform was also linked to poor quality housing.<sup>468</sup>

At the Big Listen Wales, Bulldog Boxing told the Commission: *“We have a client with a child with extreme learning disability, and they are in temporary accommodation in a hotel. They have been there for six months and have been told they’ll be there another three months at least. They have*

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466 Desmond, M., and Gershenson, C., “Housing and Employment Insecurity among the Working Poor”, *Social Problems*, 11 January 2016, pp. 1-22

467 Joseph Rowntree Foundation, *How Does Housing Affect Work Incentives for People In Poverty?*, February 2016, p. 10

468 Shelter, *The Impact of Homelessness and Bad Housing on Children’s Education: A View from The Classroom*, 2018, p. 8

*no washing machine, so she washes clothes in the bathtub. All they have is a kettle and just eat cup noodles because she can't make anything else".* For this child with important support needs, lacking the stability and security of accommodation was having a long-term harmful impact. More widely, School-Home Support which works with children facing multiple disadvantage has identified that 19 per cent of pupils it works with cite where they live as a major barrier to school attendance.<sup>469</sup>

## Impact on Addiction

For those recovering from addictions, housing has a significant effect, for better or worse, on their ability to break the power of addictions and build a better life. National statistics for adult substance misuse from 2021/22 found that 11 per cent starting treatment said they had a housing problem, with a further 5 per cent recording an urgent problem. For people with opiate problems, this figure rose to 17 per cent and 13 per cent respectively.<sup>470</sup> The link between homelessness and addiction is longstanding and well documented. The Mental Health Foundation found that 62.5 per cent of homeless individuals have problems with substance misuse.<sup>471</sup>

The Commission heard across the country that drug dealers and criminals often operate across temporary and supported accommodation. At the Moses Project in Stockton on Tees, service users shared with the Commission examples of several friends and acquaintances who had been pulled back into addictions due to drug dealing in temporary accommodation hostels. Another participant from the same focus group said: *"I grew up on a council estate, it was normal for me to deal drugs"*. Across the UK's most disadvantaged groups, housing can become a pathway into addiction and a barrier to escaping it.

## Impact on Crime

Poor housing and unsuitable community design can be a catalyst for crime. Furthermore, the availability and security of housing can affect the likelihood of ex-prisoner reoffending. Prison leavers, of which there are approximately 47,000 each year,<sup>472</sup> are around 50 per cent more likely to reoffend if they are released without accommodation.<sup>473</sup> Despite this, between April 2021 and March 2022, seven per cent of people released from custody were homeless while four per cent slept rough.<sup>474</sup>

When criminals enter prison, around 15 per cent are homeless when they commence their sentence<sup>475</sup>, while many others lose their tenancies whilst in prison and unable to make rent payments.<sup>476</sup> The barriers of high cost, poor quality and lack of secure housing makes adjusting back to life after sentences are served increasingly difficult. CSJ polling has revealed that 67 per cent of UK adults agree that prisoners should be supported to access stable accommodation given it reduces reoffending.<sup>477</sup> As it stands, significant numbers of people leaving prison without this security face a higher likelihood of falling back into crime at great cost to themselves, their families, and the taxpayer.

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469 The Guardian, Poor housing a growing barrier to school attendance in England, charity reveals, 14 May 2023

470 Office for Health Improvements and Disparities, Adult Substance Misuse Treatment Statistics 2021 to 2022: report, October 2023

471 Mental Health Foundation, Homelessness: Statistics, n.d. Accessed: [www.mentalhealth.org.uk/explore-mental-health/statistics/homelessness-statistics](http://www.mentalhealth.org.uk/explore-mental-health/statistics/homelessness-statistics)

472 CSJ, Unlocking Aspiration: Breaking Down Barriers to Work for People Leaving Prison, May 2023, p. 8

473 Kit Malthouse MP, Questions for Ministry of Justice, 1 February 2022. Accessed: [questions-statements.parliament.uk/written-questions/detail/2022-01-24/110527/#](https://questions-statements.parliament.uk/written-questions/detail/2022-01-24/110527/#)

474 Ministry of Justice, Community Performance Annual Update to March 2022, 28 July 2022

475 Ministry of Justice, Accommodation, Homelessness and Reoffending of Prisoners: Results from the Surveying Prisoner Crime Reduction (SPCR) survey, March 2012

476 Crisis, Prison leavers, n.d. Accessed: [www.crisis.org.uk/ending-homelessness/law-and-rights/prison-leavers/](http://www.crisis.org.uk/ending-homelessness/law-and-rights/prison-leavers/)

477 CSJ, Unlocking Aspiration: Breaking Down Barriers to Work for People Leaving Prison, May 2023, p. 67



The way communities are designed can also affect the likelihood of criminal activity taking place. Secured by Design is the police initiative that works to improve the security of buildings and communities in the London Borough of Bexley. Eight tower blocks were demolished and replaced by low to medium rise development. Figures from 2018 showed that there was not a single successful burglary on the estate, compared with 100 in the neighbouring council ward. Secured by Design buildings are up to 75 per cent less likely than the average project to be burgled and generally show a reduction of 25 per cent in criminal damage.<sup>478</sup> Schemes like Secured by Design demonstrate the importance of designing estates and buildings in a way that considers reducing criminal activity.

## Impact on Modern Slavery

Poor housing can increase the risk of modern slavery taking place. A prime example of this was cuckooing. Cuckooing is when the perpetrator takes over a person's home and use the property to facilitate a form of exploitation. The most common form of cuckooing is where drug dealers take control of the victim's home and use the premises to store, prepare or distribute drugs often as part of 'county lines' networks.<sup>479</sup> In 2023, CSJ and Justice and Care analysis showed that there is no comprehensive data on the number of cuckooing victims. Only seven out of 43 local police forces in the UK could provide the CSJ with data on the number of cuckooing victims.<sup>480</sup> Cuckooing has not yet been made a criminal offence and does not fall under the provisions of the Modern Slavery Act 2015.

For victims of modern slavery, stable housing is fundamental to their recovery. The CSJ has raised concerns about difficulties faced by victims of modern slavery to maintain and access accommodation that they are eligible for.<sup>481</sup> It is common for modern slavery victims to be moved to a different locality to avoid the perpetrators of their slavery, but many then lose eligibility for social housing due to a lack of local connection. Crisis also told the Commission: *"Victims of modern slavery who are experiencing homelessness often face numerous barriers to seeking help, including fear of what will happen to them; lack of information about how to get support; information only being available in English; and fear of deportation."*

## Impact on Community Life

Housing makes up an essential part of local community life. Housing forms the physical appearance of a community and are the homes of people who participate in it. Secure housing tenure is foundational for helping people to play an active role in their community. The CSJ has found that strong housing tenure is a key associated factor with perceptions of community strength.<sup>482</sup>

The Commission has heard about the impact that bad housing has on local community life. The Link Community Hub in Sheffield told the CSJ about how the local area has deteriorated over time due to issues with housing quality and security. *"Everywhere you walk around you see litter everywhere and broken glass and then council buildings not being kept up"*.

Affordable, secure housing enables people to put down roots and participate in their community. When housing deteriorates, when affordability, quality and security is poor, the nature of how people

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478 Planning Resource, How We Did It: Designing Out Crime in Estate Revamp, 21 February 2019

479 CSJ, Cuckooing: The Case for Strengthening the Law Against Slavery in The Home, November 2021, p. 2

480 CSJ and Justice & Care, Slavery at Home: A New Bill to Tackle Slavery in Britain, February 2023, p. 11

481 CSJ and Justice & Care, A Path to Freedom and Justice: A New Vision for Supporting Victims of Modern Slavery, February 2022, p. 38

482 The Centre for Social Justice, Pillars of Community: Why communities matter and what matters to them, June 2021, p. 4

relate to their community can break down. The charity leader at Link Community Hub went on to say: *“It does feel as though we’re back to slum-like conditions...and that effects the way people are, they’re living in slums and people’s surroundings effect the way they are.”*

Across the country the Commission was given examples of housing issues prevalent in people’s lives. Damp, severe mould and resulting health problems, a lack of quick and good repairs from social and private landlords. Conditions like this impact how the community treat the surrounding area, with a lack of pride and stake in the community increasing the prevalence of fly tipping, littering and general neglect.

Housing policy need to take into account community needs. At the Big Listen Midlands, Arc Community Hub told the Commission about the importance of infrastructure around housing: *“Infrastructure to support housing (if it were to come) just isn’t there. For example, bus stops & routes – there isn’t the capacity to support new housing and the families who arrive.”* Often the most disadvantaged households are cut off from opportunities due to the nature of the community being badly designed or lacking investment in important infrastructure. At the Big Listen Yorkshire, Mencap said: *“It’s the difference between being a part of the community, as opposed to being in the community. Creating a space where all of the groups have the change to interact, the sharing of experiences, and in the long run it makes things easier and better for everyone”.*

## Impact on Family

Bad housing negatively impacts family life. Polling for the Affordable Housing Commission in 2020 found that 13 per cent of UK adults under the age of 45 have delayed or not had children due to their housing situation.<sup>483</sup> High house prices in London have led to 43 per cent of London parents delaying or considering delaying starting a family.<sup>484</sup> The lack of housing not only impact a family’s wellbeing and ability to thrive in the present, but also acts as a barrier for new families to form.

The Commission also heard directly from the most vulnerable families. At the Big Listen Yorkshire, one participant told the Commission about the pressures on families with disabled members.

*“The cost factor is an issue, there is an additional of about £500/month for families who have a children with additional needs. We can’t survive on our income anymore our house has to be warm. We can’t reduce the electricity because there is specialist equipment that has to be run. It is a necessity. The cost-of-living crisis is doubly/triply affected disabled families. It just spirals. Now families come to us in crisis. We are supporting families on housing because there is not the support available anywhere else. It’s just crisis across.”*

**Special Needs and Parent Support Yorkshire (SNAPS), Big Listen Yorkshire**

SNAPS told the Commission about the grave impact that the cost-of-living crisis has had on disabled families. This is especially true for families that have to use more than average amounts of energy to keep essential equipment running.

<sup>483</sup> Inside Housing, Housing crisis could be stopping two million people from having children, warns Affordable Housing Commission, 24 February 2020

<sup>484</sup> The Centre for Social Justice, Levying Up: Ensuring planning reform delivers affordable homes, December 2022, p. 9

The Commission also heard from looked after young people. A charity leader from Family Gateway in Newcastle told the Commission:

*“And the reality is you talk about housing. I’ve seen kids aged 14 in North Tyneside removed from a home environment because of a range of issues that were not meeting a serious bar, put in a flat at 14 with a daily visit from a social worker. How does that create an environment? How would you split the two siblings up?”*

Charity Leader, Family Gateway, Newcastle

One young person who had been looked after, told the Commission:

*“When I got put into care... me and my sister got placed into a house and it felt a bit like a safe house. And it would just be every like eight or 12 hours, a worker would come in - a brand new person we’d never met - but we would do the shopping and we would do the cooking and we were there for three weeks before being put in a foster placement. I was 12 or 13.”*

Service User, Family Gateway, Newcastle

The insecurity of housing that looked after children experience can consolidate the difficulties and challenges those young people face. When all other aspects of life have become uprooted and difficult, having a stable and secure accommodation and home environment is particularly important for helping looked after young people make the most of their potential.

## Impact on Debt

Bad housing can increase the likelihood of problem debt issues. Financial resilience is undermined by unaffordable housing, increasing the chances of relying on loans and family members for support. CSJ analysis in 2023 has found that illegal money lending is a risk for millions of renters who are struggling to make ends meet. Analysis of Illegal Money Lending Team Data has shown that the victims of illegal lending live overwhelmingly in social or PRS housing.<sup>485</sup> The prevalence of illegal money lending victims living in the private rented sector has risen from 21 per cent in 2012 to 32 per cent in 2021.<sup>486</sup>

The CSJ has identified a correlation between less stable and more expensive housing in the PRS as a significant risk factor for people to fall prey to illegal lending. The consequences of which can be truly catastrophic for vulnerable people.

485 CSJ, *Swimming with Sharks: Tackling Illegal Money Lending in England*, March 2022, p. 4

486 *Ibid*, p. 48

## Connection

*"I was born and bred in Middlesbrough, I still live in Middlesbrough. I have no pride for this town at all and I love this town to bits."*

Service User, Clean Slate Solutions, Middlesbrough

*"The pandemic generation... that aren't affluent... were stuck at home... one of our service users was getting on quite well at the start of the pandemic. But the pandemic brought him back into our fold... the letters about not being able to go out terrified him."*

West Yorkshire Community Chaplaincy Project, Big Listen Yorkshire

## The State of Community Life in Britain

Across the country as the Commission spoke to some of the most left behind neighbourhoods it was clear there is a great degree of pride in communities, even when they face multiple challenges. Residents spoke fondly of their communities, despite also having a long list of grievances. Here the COVID-19 pandemic has had a mixed influence. For some it intensified loneliness and social isolation, while for others it showed the strength of their local community and uncovered local networks of support as neighbours came together to look out for each other in new ways.

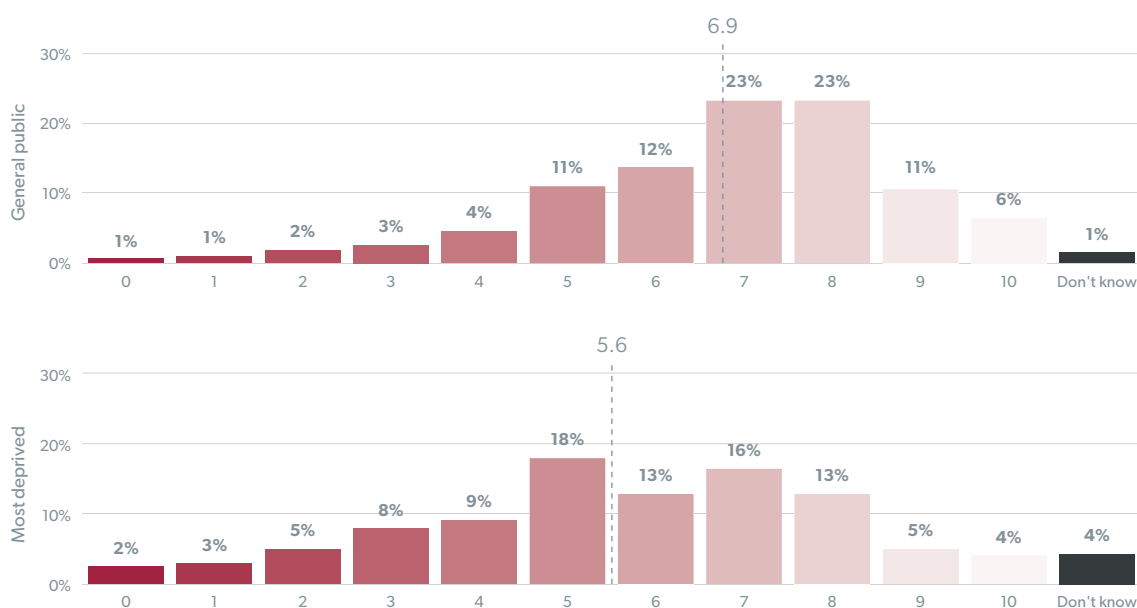
Despite this there were clear concerns about the decline in community life and there is a perception that the social fabric has decayed. Many communities reported having lost the mediating institutions that help to form the social fabric including churches, sports clubs, societies and professional associations. Lack of community belonging, and connection is closely correlated with disadvantage and poverty: when crime, worklessness and family breakdown are rife, people lose their stake in the places and connections that bind them together. Community life and trust decays. CSJ analysis found that local pride was likely to be lower in areas with higher deprivation. Those with incomes of less than £20,000 a year were least likely to say that there was a sense of pride in their local area, with only around a third (between 32 and 37 per cent) agreeing they had a sense of pride in their local area. This demographic was also least likely to say their local area had an identity connected to its heritage and past at 25 per cent.<sup>487</sup>

The Commission's polling found that for the general public, six in ten say their local area has a good quality of life, while only two in five say their area has a good quality of life for the most deprived.<sup>488</sup> Figure 21 outlines the difference in both group's opinions on their quality of life, suggesting that the most deprived are less likely to feel their local area supports them to value their environment, compared with the general public.

<sup>487</sup> CSJ, Pillars of Community, June 2021, p. 32

<sup>488</sup> Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

Figure 21: How would you rate the quality of life in your local area?



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

Local cohesion, however, did not have a linear correlation with affluence. Although CSJ analysis has uncovered widespread concern about the decline of community life, finding local communities was weaker in major cities, and stronger in many semi-rural areas, the research uncovered a strong community spirit present in towns with post-industrial economies such as mining, manufacturing, and coastal industries, despite relatively high levels of deprivation. In particular, residents of larger cities are much less satisfied with levels of community connectedness.

*“Community cohesion—this is really strong in Wales; there’s a pride of place, and that’s a huge strength. We should be building on this. And there’s a real value to that; it helps our lending practices.”*

**Purple Shoots, Big Listen Wales**

The CSJ has found that younger people are on average nine per cent less positive about the strength of their communities than older respondents. They were also significantly more likely to feel that their community has declined in recent years; across all factors, under 35s were on average seven per cent more likely to say their community had deteriorated in recent years.<sup>489</sup>

*“Lots of community centres are closing down, the churches (who run many local youth clubs) are lacking money...Kids are left to roam the streets.”*

**Service User, Moses Project, Stockton-on-Tees**

489 CSJ, Pillars of Community, June 2021, p. 42

However, this is not to say that young people do not care about community life. Young people are in need of connection and community as any other member of society. Regarding young people's need for community connection, Coach Core Foundation told the Big Listen London:

*"When asked in lockdown what they missed most was coaching and their local community, it is nonsense to say that young people don't care about their community because that is what they missed most."*

Dot Dot Tyre told the Commission about the importance of building a sense of community obligation among the institutions where young people spend their time.

*"It's about building a sense of community power within the institutions (schools, clubs) of people that gatekeep the young people."*

Football Beyond Borders told the Commission how building the spaces and modes of participation that young people were interested in was important. They said at the Big Listen London: *"It's about creating communities that people want to be part of."*

The importance of community is evident in the Commission's polling. When both the general public and the most deprived were asked what the best thing about living in their areas was, both groups used the words 'quiet' and 'community' the most, as demonstrated below in Figure 22.<sup>490</sup>

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490 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023



Here are some snapshots of what some of the charities on the frontline of the UK's most left behind communities said about the nature of community and social life.

*"Social isolation is a big issue, especially since lockdown. Making people feel valued, part of a community."*

Alexandra Rose Charity, Big Listen London

*"There used to be 75 youth and community centres in Gateshead but now all are gone."*

Charity Leader, Young Women's Outreach Project, Gateshead

*"Something about the fabric of society has broken down."*

Beyond Food/Brigade, Big Listen London

*"We're massively missing connection to community."*

Swansea Community Farm, Big Listen Wales

In 2021, three quarters (72 per cent) of people felt loneliness and isolation were a problem in their community, and 20 per cent of those between 18 and 24 said the problem had got worse in recent years. 2.1 million people are projected to suffer from loneliness in the UK by 2030/31<sup>491</sup>. Previous CSJ analysis has shown that only 28 per cent of people felt that their communities did not have loneliness and isolation.<sup>492</sup>

For some loneliness and isolation were exacerbated during the COVID-19 pandemic. Across the country, the Commission was told of the severe isolation felt by people during the successive lockdowns.

*"And then I think after we realised it [lockdown] was gonna be a longer-term reality, it hit and I was living by myself at the time. I only live around the corner so normally, I was obviously in the office every day anyway, and had a good network around me but my mum was living in London at the time. So, it was just me in the house by myself. And when I say that I went insane, I don't even, that wasn't an understatement because I already suffered with anxiety and depression in the past. So that just escalated all of the problems that I had." [sic]*

Service User, Family Gateway, North Tyneside

491 Based on Age UK's projection, itself based on ONS data. Age UK, All the Lonely People: Loneliness in Later Life, p. 5

492 CSJ, Pillars of Community, June 2021, p. 37



*"The social isolation from Covid, if you were put in a hotel room in your own you were incredibly socially isolated... People's voices were rusty when they came to see us because they hadn't spoken... Connection with human beings is so important."*

**Lifeshare, Big Listen North West**

*"Relationships with churches, youth clubs, schools, etc are much weaker today. People are at wit's end trying to access - we keep 'moving the beans' - the ways in which you access services keep shifting and that makes it challenging."*

**Memphis, Big Listen Midlands**

*"Men have been the ones less likely to emerge from the house post-covid."*

**Family Toolbox, Birkenhead**

Despite the challenges posed by the COVID-19 pandemic, community life is often upheld by the work of small charities, religious institutions and other clubs and societies, providing the spaces and initiatives that bring people together.

*"The community supports community. Community cafés act as a great place for support, natural conversations can often lead to the best signposting to support."*

**Fare Share Yorkshire, Big Listen Yorkshire**

During the pandemic, our society moved online. While most of the general public were able to adapt to this change in circumstance, there were many who were left digitally excluded.

## Digital Exclusion

*"Digital exclusion is a huge deal. The world went online during covid, but their (charities) clients did not go online."*

**Falcon Support Services, Big Listen Midlands**

One way that people experience isolation is being disconnected from the digital world. A key change in the landscape of British communities over the last 20 years has been the rise of digital connectivity through the mass movement to internet use. The effect has been incalculable. Benefits, jobs, visas, passports and even divorces can now be applied for fully online. Whilst for the majority of the population, this has made life easier and more efficient, a significant minority find themselves excluded from some of the most basic functions of digital society.

The COVID-19 pandemic catalysed this transition, with many services moving to being online during lockdown, with some not returning to an in-person offering. Surveys that employ the ONS definition of 'online' (having used the internet at least once in the last three months), suggests that almost the entire population has access to the internet. The Office for National Statistics suggests that the number of adults in Great Britain that have accessed the internet increased from 55 per cent in 2005 to 96 per cent in 2020.<sup>493</sup> The Lloyds 2022 Consumer Digital Index suggests that this figure now stands at 99 per cent.<sup>494</sup> Despite the near ubiquitous reach of the internet, pockets of digital exclusion remain. However, the gap between users capitalising on the opportunities of the online world in a way that can open opportunities to them is not synonymous with the ONS definition of online access. Many within the category of being online are still experiencing exclusion from the opportunities and benefits offered by the internet and digital world.

*"A lot of people can't afford connectivity and have poor IT skills. Everything they need to do is online. And that's a problem."*

Purple Shoots, Big Listen Wales

Two key groups that typically face these barriers are the elderly, who as a cohort – although by no means all – are typically less likely to have the appetite or aptitude to learn the new skills required for digital engagement, and those who are the most economically deprived.<sup>495</sup> 14 per cent of those in the DE social grade do not have access to the internet at home. 26 per cent of those aged 75 and over also have no access to the internet in their home.<sup>496</sup>

As of March 2021, 92 percent of phone users owned a smart phone and even 84 percent of those in the lowest social economic group (groups DE) were smartphone users. At the same time, 96 per cent of those in C1 and 90 per cent of those in C2 were smartphone users.<sup>497</sup> During conversations with those who were digitally excluded, those who did not own a device said that they did not see the need for them, either because they lived life perfectly fine without them or because they distrusted the internet.

493 Office for National Statistics, Exploring the UK's Digital Divide, 4 March 2019

494 Lloyds Banking Group, 2022 Consumer Digital Index, 3 November 2022

495 Ofcom, Digital Exclusion, 30 March 2022, p. 8

496 Ibid

497 Cyber Crew, How Many People Own a Smartphone in the UK?, 30 March 2023. Accessed: [cybercrew.uk/blog/how-many-people-own-a-smartphone-in-the-uk/#:~:text=What per cent 20was per cent 20the per cent 20percentage per cent 20of, users per cent 20weren't per cent 20smartphone per cent 20owners](https://cybercrew.uk/blog/how-many-people-own-a-smartphone-in-the-uk/#:~:text=What%20was%20the%20percentage%20of,%20users%20weren't%20smartphone%20owners)

## Addiction

As the Commission travelled the country, it became clear that communities across the country were continuing to be torn apart by the scourge of addiction.

*"I barely went to school, I was given a pile of schoolwork to do as well as heavy caring, [so I] began on weed to escape. So as an 11-year-old I was dealing with care for my parents, I was dealing with medications, I was dealing with housing mortgages and benefits. I was doing the shop and paying the bills, an 11-year-old shouldn't be doing that...As a 16-year-old, before I even left school, I was a full-blown heroin addict, drinking a bottle of whiskey a night and smoking crack."*

Service User, The Moses Project, Stockton on Tees

*"There are loads of drug users around where I live, it is just rife as if there is nothing else for no one to do except get high."*

Service User, Moses Project, Stockton-on-Tees

*"Lockdown caused so many people to relapse into debt, gangs, addiction. People were making choices that didn't help them, but they were thinking 'Oh whatever'."*

Oasis Centre, Big Listen North West

*"Everything is shutting down, everything is closing – people do not want to get involved anymore in youth clubs... they are sitting around without activities, sniffing glue."*

The Growing Zone Group, Big Listen Yorkshire

## 20 years on – Communities still torn apart by addiction

Breakdown Britain found a country marked by an addiction explosion. The early 2000s saw a rise in drug use among young people, with one in ten 16 to 24-year-olds using hard drugs at least once per month and 45 per cent of 14 to 15-year-olds drinking alcohol on a weekly basis.<sup>498</sup> In the early millennium, ten per cent of boys in the first year of secondary school binge drank on at least a monthly basis, which rose to 60 per cent by the time boys were in Year 11. 26 per cent of children had taken illegal drugs of some kind.<sup>499</sup> In 2006, ten per cent of the adult population smoked cannabis regularly.<sup>500</sup> Nearly three million adults had some form of alcohol dependency and eight million had an alcohol use disorder.<sup>501</sup>

498 CSJ, The State of The Nation Report: Addicted Britain, December 2006

499 Ibid, p. 10

500 Ibid, p. 10

501 Ibid, p. 10

As the Commission travelled the country, almost 20 years later, it found that addiction continued to tear communities apart, entrapping individuals in cycles of poverty, crime and dependency. General illegal drug use remains similar to the early millennium: now 10.6 per cent of 16 to 24-year-olds take illegal drugs at least once a month,<sup>502</sup> eight percent of children aged 11-15 reported having taken drugs, and 11.5 per cent of adults who consumed cannabis in the past year smoke cannabis every day.<sup>503</sup> Overall consumption of alcohol across the nation continues to decline as it has done for over a decade,<sup>504</sup> with young people under the age of 25 less likely to consume alcohol regularly compared to those between the ages of 25 and 64.<sup>505</sup>

In this section, the Commission outlines the addiction landscape across the UK, trends in illegal drug use, dependency on illegal drugs, addiction and young people, drug use and mental health, and new types of dependencies.

## The Addiction Landscape

While many people who take illegal drugs or drink alcohol will never become addicted, for the small number of consumers who do, it can have catastrophic consequences. The Commission has visited addiction recovery charities across the country who are pioneering life changing support to those suffering from addiction. These charities are pursuing treatment that aims to resolve the root cause of the addiction, including the complex social factors such as poor housing, family breakdown and mental ill health that compound the likeliness of becoming addicted.

## Illegal and Illicit Drugs – General Usage

Drug misuse costs the Treasury an estimated £20 billion per year.<sup>506</sup> The illicit drugs market is worth half of this at an approximately £9.4 billion a year.<sup>507</sup> Over the past two decades, the proportion of adults who reported drug use (in the past year when surveyed) has fallen, but approximately one in 11 adults aged 16 to 59 years reported illicit drug use in the year ending June 2022.<sup>508</sup> This equates to approximately three million adults. These numbers are likely to be underreported due to caution about disclosing illegal and/or illicit activities.

Concerningly, whilst there has been an overall decline in reported drug use over time, more harmful types of behaviour have increased over the past two decades. The proportion of the population reporting the illegal use of Class A drugs over a lifetime has increased from 12.7 per cent in 2004/05 to 16.3 per cent in 2021/22.<sup>509</sup> The proportion of overall illegal drug use over a lifetime has remained fairly constant at 34.7 per cent in 2004/5 and 35.3 in 2021/22.<sup>510</sup> Cannabis still forms the vast majority of overall drug use for the population as a whole.

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502 ONS, Drug misuse in England and Wales: year ending June 2022, 15 December 2022

503 ONS, Drug misuse in England and Wales: year ending June 2022, 15 December 2022

504 House of Commons Library, Alcohol Statistics, 28 July 2021

505 House of Commons Library, Alcohol Statistics, 28 July 2021

506 Home Office, Department of Health and Social Care, Ministry of Justice, Department for Work and Pensions, Department for Education, From Harm to Hope: A 10 Year-Drugs Plan to Cut Crime and Save Lives, 29 April 2022

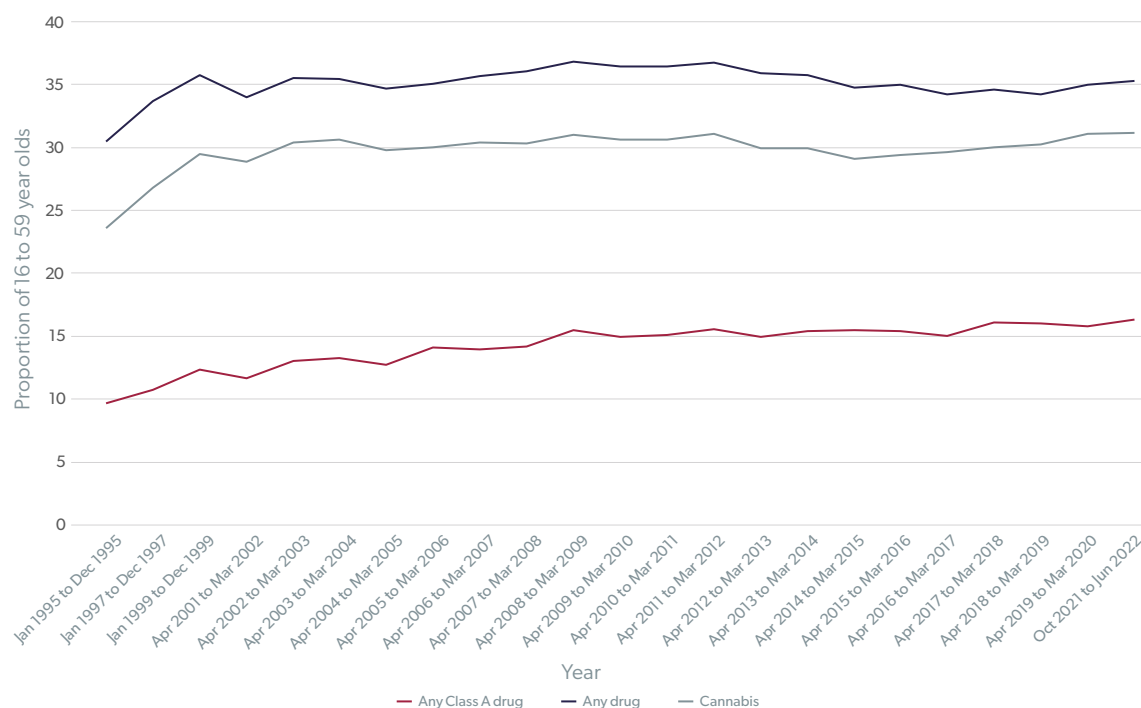
507 Home Office, Review of Drugs: Summary, 17 September 2020

508 ONS, Drug misuse in England and Wales: Year Ending June 2022, 15 December 2022

509 ONS, Drug misuse in England and Wales – Appendix table, table 1.01, 15 December 2022

510 Ibid

Figure 23: Proportion of 16 to 59 Year Olds Reporting Use of Drugs Ever In Their Lifetime, 1995 to 2021/22



Source: Crime Survey for England and Wales, Drug Misuse for England and Wales Appendix Tables, CSJ analysis of table 1.01

The ease of access to illicit drugs is very high. In 2021/22 39 per cent of those between 16 and 59 said it was very or fairly easy to obtain illicit drugs within 24 hours.<sup>511</sup> For those aged between 16 and 19 this was nearly two thirds (62 per cent).<sup>512</sup> Nearly half of illicit drug users (48 per cent) named a friend, neighbour or colleague as the source.<sup>513</sup>

*“I went to a wedding last weekend, and I reckon half the young people were on coke.”*

**Anonymous, Big Listen Wales**

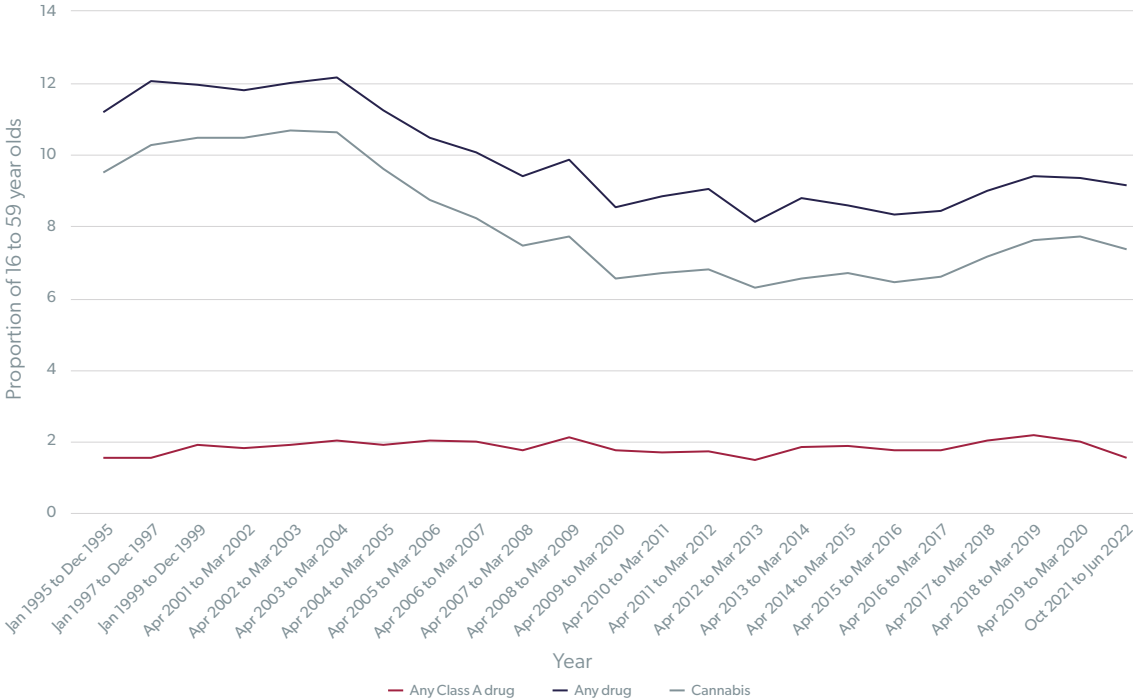
Illicit drug use has declined from a historic high of 12.2 per cent of 16-to 59-year-olds in 2003/04. The percentage of those taking any drug in the last year have not risen above 9.9 per cent nor fallen below 8.2 per cent between 2008/09 to 2021/22, although there has been a rise in cannabis and any drug use from 2015/2016, as per Figure 24. Contrasting to Figure 23 which documents lifetime usage, the proportion of those reporting any Class A drug use in the past year has fallen from 3.7 per cent in 2018/19 to 2.7 per cent in 2021/22.

511 ONS, Drug Misuse in England and Wales – Appendix Table, December 2022

512 Ibid, Table 5.02

513 Ibid

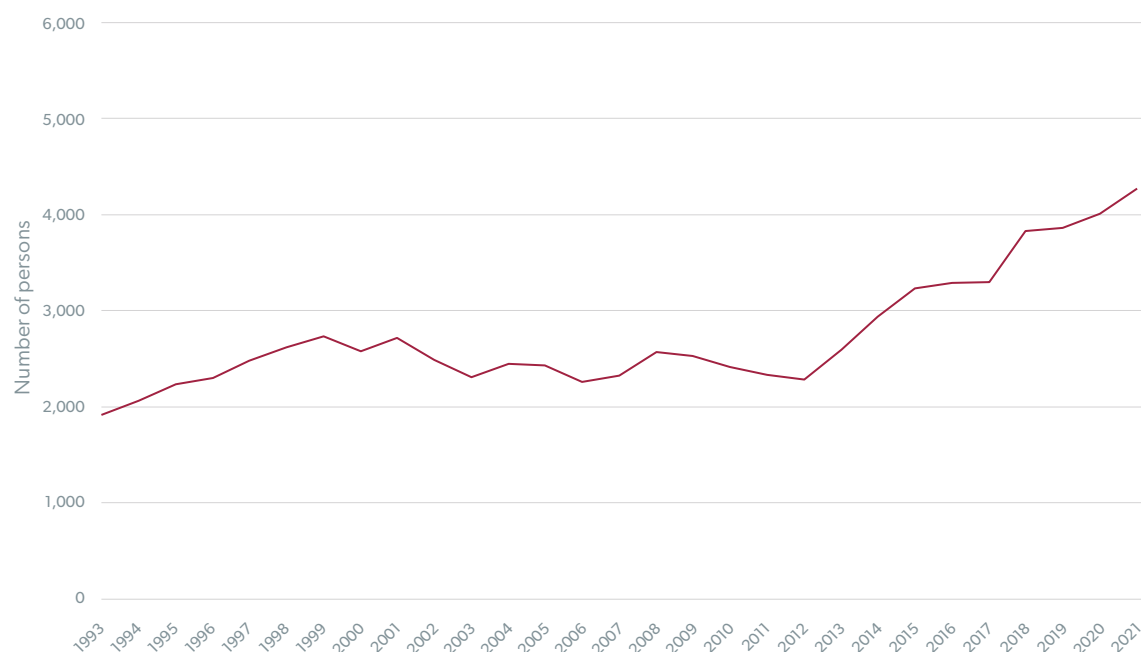
Figure 24: Proportion of 16 to 59 Year Olds Reporting Use of Drugs In The Last Year, 1995 to 2021/22



Source: Crime Survey for England and Wales, Drug Misuse for England and Wales Appendix Tables, CSJ analysis of table 1.02

Despite a commendable decline in the number of people reporting using any drug from the turn of the century, the number of deaths from drug related poisoning has risen sharply from 2012 to a record high in 2021 of 4,859 deaths, as per Figure 25. The sharp rise in deaths from drug use is a point of serious concern, especially as the number of users of drugs in the last year has declined over time. The rate of drug poisoning deaths was 81.1 per cent higher in 2021 (84.4 deaths per million) than it was in 2012 (46.6 per million people). The rate has increased every year since 2012 after remaining relatively stable over the preceding two decades.

Figure 25: Number of Deaths From Drug-Related Poisoning and Drug Misuse, England and Wales



Source: ONS, Deaths related to drug poisoning England and Wales, CSJ analysis of table 1.

The ONS state that the upward trend has been driven primarily by deaths involving opiates, but also substances like cocaine. The low prices and high purity rates of cocaine and heroin have also been given as possible explanations. Over half of all drug poisoning deaths involve more than one drug, and it is not possible in those cases to tell which substance was primarily responsible for the death.<sup>514</sup>

At the Big Listen Wales, the Commission heard a poignant testimony from a charity leader (kept anonymous for personal reasons) whose stepson relapsed after methadone use. He passed away during the COVID-19 pandemic. She went on to say that she had been to three funerals during the pandemic for people who had died from drug use.

Whilst there are numerous types of drugs worth assessing and understanding trends in, the Commission has heard about the impact of particular illicit drugs that have an impact on the UK's most disadvantaged communities. These are: cannabis, crack cocaine and opioids, new psychoactive substances, spice (a prevalent type of New Psychoactive Substances (NPS)) and nitrous oxide.

## Cannabis

Since records began in 1995, cannabis has always remained the most used drug in England and Wales, although use in the past year declined from 10.7 per cent in 2002/03 to 7.4 per cent in 2021/22. However, reported use over a lifetime has steadily climbed from a nadir in 2014/15. In 2014/15 29.1 per cent of those between 16 and 59 reported ever having used cannabis, rising to 31.1 per cent in 2020/21. This broadly mirrors the rising trend in use from 2012/13 in Figure 24 (year

514 ONS, Deaths Related to Drug Poisoning in England And Wales: 2021 Registrations, 3 August 2022

use). 80 per cent of those who had taken cannabis in the last year said it was fairly or very easy to obtain within 24 hours.<sup>515</sup>

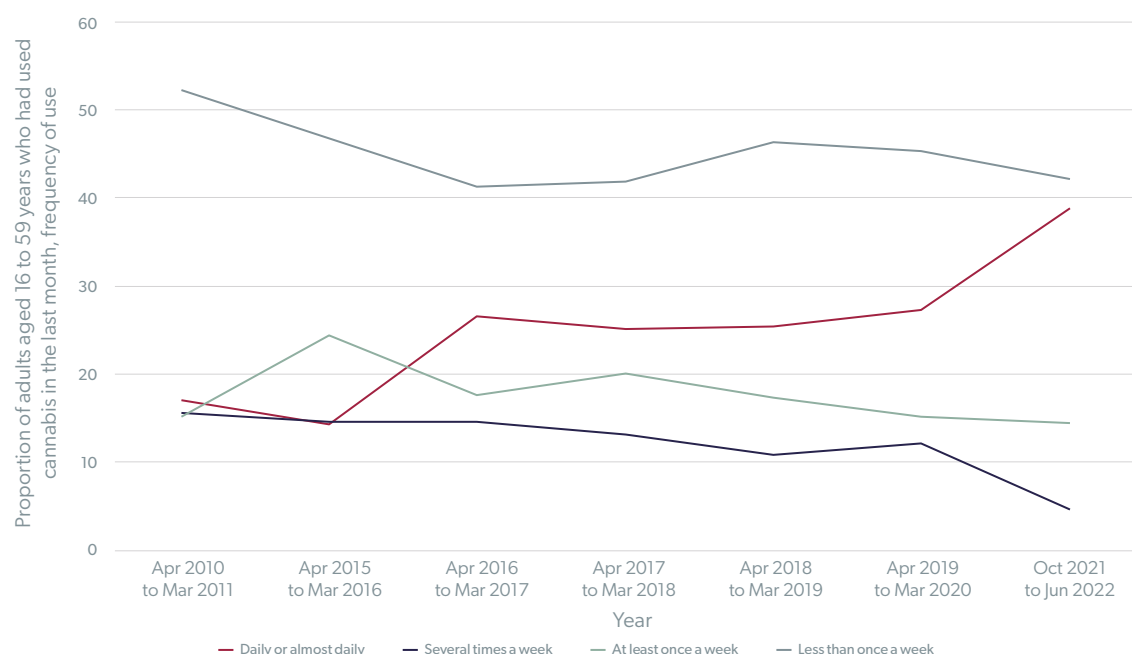
It is clear cannabis can cause serious harm. Nearly three quarters (74 per cent) of those who show signs of dependency to drugs are dependent on cannabis.<sup>516</sup> The Commission was told by those who support people with lived experience of drug abuse that cannabis was a gateway drug. At the Moses Project in Stockton-on-Tees, the Commission spoke to service users who had been dependent on harmful Class A drugs. They told the Commission how cannabis was the starting point for their troubles with addiction. Quoted in the first section of this chapter on addiction was a young man the Commission spoke to who started smoking cannabis at the age of 11. He then began using various Class A drugs including heroin, crack cocaine as well becoming dependent on alcohol.

*"I see people dependent on weed and they can't go a day without smoking, they might have mental health problems and paranoia, I think it should be zero-tolerance."*

**Charity Leader, Link Community Hub, Sheffield**

Daily dependency on cannabis has also been on the rise in recent years. Out of those who said they had used cannabis in the last month, the proportion who said they used cannabis daily or almost daily has risen from 17 per cent in 2010/11 to 38.8 per cent in 2021/22, as per Figure 26. There has been an increase of 128 per cent for monthly cannabis users using the drug daily.

*Figure 26: Proportions for Frequency of Cannabis Use Within Adults Aged 16 to 59 Years Who Had Used Cannabis In The Last Month, 2020/11 to 2021/22*



Source: Crime Survey for England and Wales, Drug Misuse for England and Wales Appendix Tables, CSJ analysis of table 2.04.

515 ONS, Drug misuse in England and Wales: Year Ending June 2022, Table 5.03, 15 December 2022

516 NHS Digital, Mental Health and Wellbeing In England: Adult Psychiatric Morbidity Survey 2014, 29 September 2016



The NHS advises that about ten per cent of regular cannabis users become addicted to the drug, with an increase in the risk for those that start using during their teenage years.<sup>517</sup> According to the European Monitoring Centre for Drugs and Drug Addiction's (EMCDDA) 2017 report on the UK, 26 per cent of treatment entrants cited cannabis as their primary drug for which they required help, this is the second highest ranking substance, behind heroin.<sup>518</sup>

As the proportion of those using cannabis daily has increased by over 100 per cent in the last decade, it is a serious concern that more people will move onto more harmful drugs as well as need treatment for addiction problems with cannabis. There is also a risk of more people developing acute and long-term mental health problems as a result of daily cannabis usage, including evidenced links to schizophrenia.<sup>519</sup>

## Crack and Opioid Use

An opioid is a substance that includes heroin as well as fentanyl and pain relief drugs. Crack cocaine is a base form of cocaine that can be smoked. Opioids such as heroin and crack cocaine are among the most dangerous types of Class A drugs. In 2020, the Government estimated that 300,000 people in England were taking the most harmful drugs which they classified as being opiates and/or crack cocaine.<sup>520</sup>

The Government have identified an ageing population of heroin users with severe health needs, of which many are crack cocaine users as well. There is also a new emerging population of younger crack cocaine users that do not take heroin. Use of these most harmful drugs is associated with poverty and material deprivation.<sup>521</sup>

Use of crack cocaine and heroin in the last year has declined from a high in 1999 to record lows in 2021/22. The ONS caveat these figures with the recognition that with so few heroin and crack cocaine users, there is a high degree of variability with sampling, so figures are liable to fluctuate each year. Caution should therefore be paid to medium to longer term trends.<sup>522</sup>

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517 NHS, Cannabis and Mental Health, Factsheet, n.d. Accessed: [mft.nhs.uk/app/uploads/2021/01/Cannabis-and-mental-health.pdf](https://mft.nhs.uk/app/uploads/2021/01/Cannabis-and-mental-health.pdf)

518 European Monitoring Centre for Drugs and Drug Addiction, United Kingdom: Country Drug Report 2017, 2017, p. 1

519 Moore et al., cited in Mental Health and Wellbeing in England, 2007, p. 269

520 Home Office, Review of Drugs: Summary, Feb 2020, 17 September 2020

521 Home Office, Independent Report, Review of Drugs: Summary, February 2020

522 ONS, Drug Misuse in England and Wales: Year Ending June 2022, 15 December 2022

Figure 27: Use of Crack Cocaine and Heroin In The Last Year, 1995 to 2021/22



Source: Source: Crime Survey for England and Wales, Drug Misuse for England and Wales Appendix Tables, CSJ analysis of table 1.02

However, despite the difficulty estimating the real number of crack cocaine and heroin users, the Commission spoke to charities who have experienced the devastating impact of Class A drugs like crack cocaine and heroin on their communities. The Link Hub in Sheffield told the Commission this about the impact of drugs like heroine and crack cocaine on their community.

*“We’ve seen it all the time where people smoke a bit on dope and by the time, they’ve been on it for a while they’re into crack and all types of things... 10 years ago, we had a group of probably about 5-6 people who were on drugs, now there are so many who are on it, they’re all on like really hard drugs, this community has changed so much. And now we have gangs on the estate, we have people growing and have people dealing. They get together to do hard drugs together. People are doing things I never knew you could do, mixing ash out of people’s ash trays so it injects better.”*

**Charity Leader, Link Hub, Sheffield**

Addiction to the most harmful substances often co-present with other challenges, making the treatment of it often difficult by the siloed nature of treatment and services.

*“Dual diagnosis is a barrier; you’ll have a client who is ready to access a specific service, but they get played off against each other. Mental health services say they need addiction services, vice versa.”*

**Charity Leader, Chess Homeless, Chelmsford**

At the Big Listen Wales, the Commission was told about the tragic relief felt when a child is just using cannabis. This is because of the high prevalence of Class A drugs in some communities.

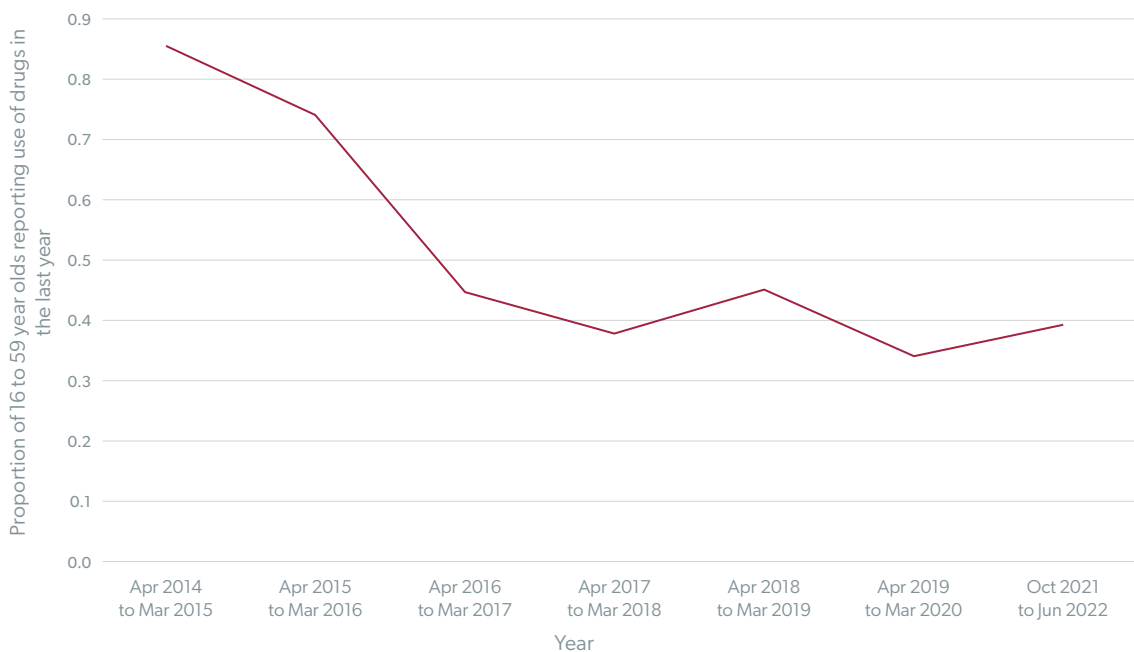
*“If a child comes homes and says I’m smoking pot I say thank god for that.” [because of the prevalence of coke use/spice/heroin]*

– Anonymous, Big Listen Wales

## New Psychoactive Substances (NPS)

The ONS define NPS as “substances intended to mimic the effects of “traditional” drugs such as cannabis, ecstasy, or cocaine and can come in different forms such as herbal mixtures that are smoked, powders, crystals, tablets, or liquids.”<sup>523</sup> NPS only began to be recorded on the Crime Survey for England and Wales in 2014/15 owing to their recent and fast paced development and entry onto the drugs market. There has been a quick decline from the high point in 2014/15 where nearly one per cent of people reported having used a NPS in the last year. This has now fallen to 0.4 per cent, as per Figure 28.

Figure 28: Use of new psychoactive substances in the last year (NPS), 2014/15 to 2021/22



Source: Source: Crime Survey for England and Wales, Drug Misuse for England and Wales Appendix Tables, CSJ analysis of table 1.02

523 ONS, Drug misuse in England and Wales: Year Ending June 2022, 15 December 2022

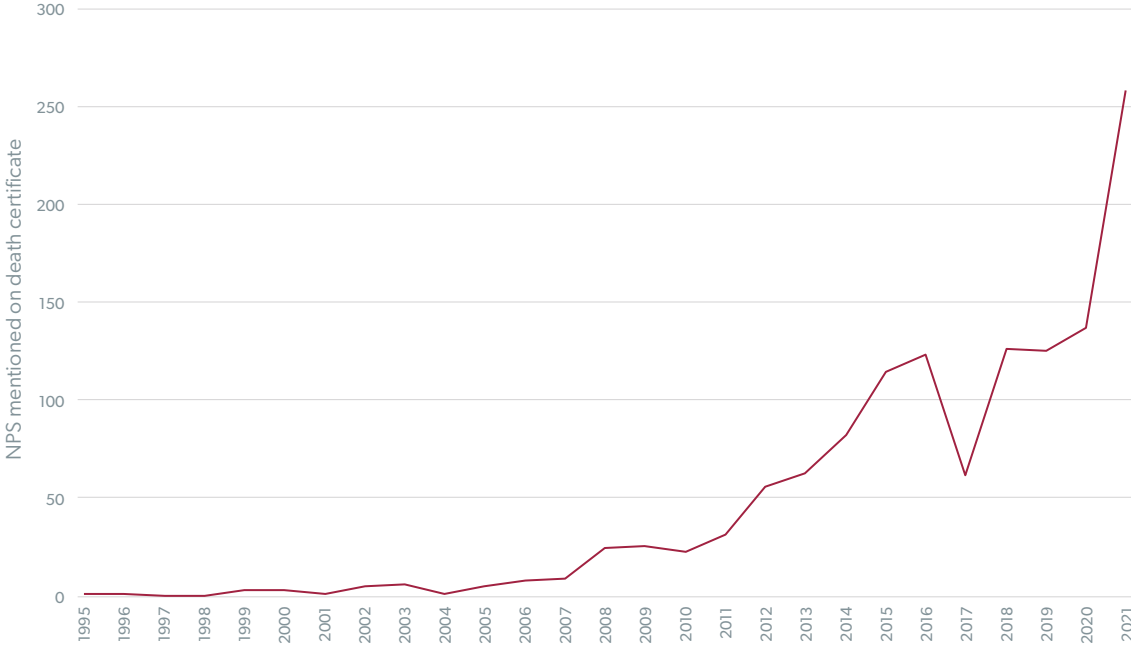
NPS were known as 'legal highs' and initially, many were outside the jurisdictions of current law and regulation. In 2016, the Government introduced the Psychoactive Substances Act which made the trade in NPS illegal. NPS quickly emerge onto the market and fall away again.

*"We did a course on legal highs, you never really hear of them now, they were a huge thing. I remember shops...you could just go and buy them on the shop counter. We don't seem to see them anymore, maybe vaping will be kinda the same."*

**Charity Leader, Link Hub, Sheffield**

Concerningly, as NPS usage has declined, there has been a rise in drug poisoning deaths that mention NPS on the death certificate. An increase from just one death in 2004 to 258 in 2021/22. This is particularly concerning and points to a residualisation of the NPS market, where the drugs left on the market are more dangerous.

Figure 29: Number of Drug-Related Poisonings Where New Psychoactive Substances Were Mentioned on the Death Certificate, England and Wales, 1995 – 2021



Source: ONS Deaths related to drug poisoning in England and Wales, 1993 to 2021, CSJ analysis of New Psychoactive Substances worksheet

## Spice

Spice is a synthetic cannabinoid (SC) and is classed as an NPS. It has been referred to the Commission's inquiry by many frontline charities who have seen the impact of this drug on their communities and service users lives. Indeed, out of all drugs related poisoning deaths where NPS were mentioned on the death certificate, SC's are the second most referenced after Benzodiazepine analogues.<sup>524</sup>

Spice has been referred to as the 'zombie drug' for its effect on users. The Commission was told of its impact on people and towns like Stockton.

*"I don't know if you know about spice. Have you heard about spice? A few years ago it was really big in this town. Really big. Everyone was smoking it. We thought it was all gone, and about a month or so or something it had come back. Big time and in a big way. People are starting to stop taking heroin from which you get physical withdrawals from and start smoking this spice. And they're all getting poorly from this spice now. Spice, I think, is a lot worse than heroin. There's people in the town falling asleep (on benches) because of the spice. Heroin isn't strong enough to do that. You see it everywhere you go. I know some of the lads who smoke cigarettes they go around picking the dumpers [cigarette butts] up off the floor and sometimes its spice and they're going over, you know what I mean. It's really bad out there at the minute." [sic]*

Service User, Moses Project, Stockton-on-Tees

This young man spoke to the Commission with tremors in his voice as he explained the impact of Spice on people he knew and the local community. It is a drug that triggers fear and uneasiness for those who understand and have seen its effects.

## Nitrus Oxide

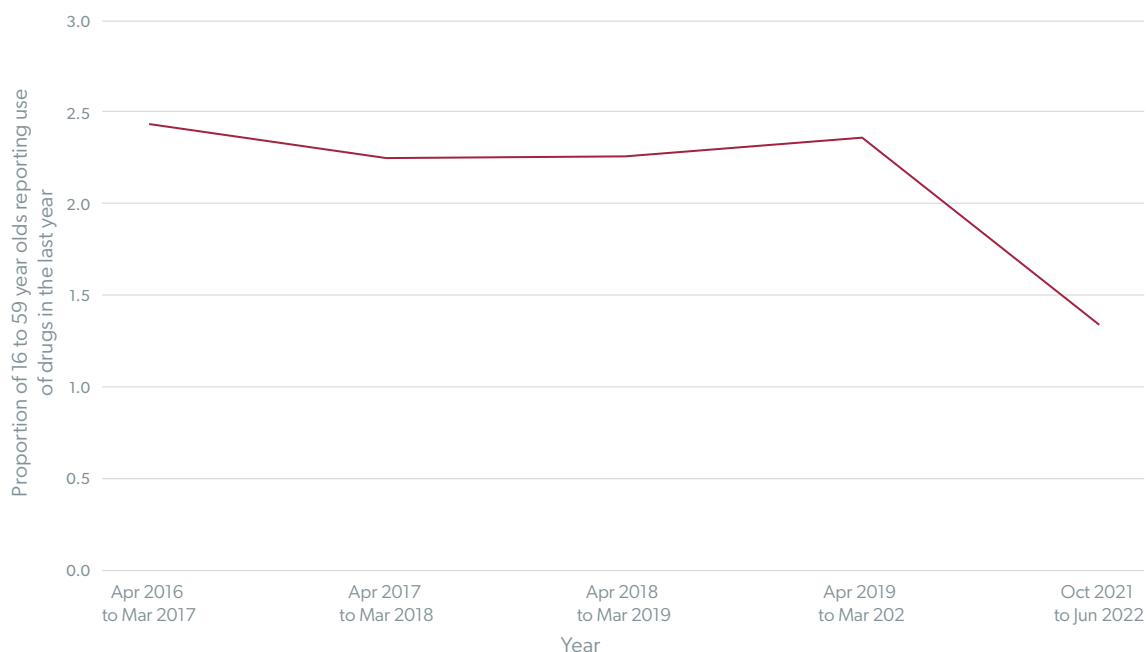
Nitrus Oxide is commonly referred to as laughing gas and was a similarly 'legal high' until possession was banned in 2023 under the Misuse of Drugs Act 1971. Heavy and regular abuse of the drug poses significant health risks for users including anaemia, nerve damage and paralysis. It has been identified by the Government as having fatal consequences on the UK's roads from incidents of drug driving.<sup>525</sup>

Use has fallen from 2.4 per cent in 2019/20 to 1.3 per cent in 2021/22, as per Figure 30.

<sup>524</sup> Home Office, Possession of Nitrous Oxide Is Now Illegal, 8 November 2023. Accessed <https://www.gov.uk/government/news/possession-of-nitrous-oxide-is-now-illegal>

<sup>525</sup> Ibid

Figure 30: Use of Nitrous Oxide in the Last Year, England and Wales, 2016/17 – 2021/22



Source: ONS Deaths related to drug poisoning in England and Wales, 1993 to 2021, CSJ analysis of New Psychoactive Substances worksheet

New drugs that come onto the market can have long-lasting health effects on users. Taking too much nitrous oxide can cause users to fall unconscious or suffocate from the lack of oxygen. People have also died from taking the drug. Regular use can lead to vitamin deficiencies and anaemia, in some cases resulting in nerve damage and paralysis.

## Prescription/legal drugs

The Commission was told about a rise in self-medication, particularly during lockdown, which has also given way to an increase in people taking, and some becoming addicted to, drugs that are produced for medical purposes but are either not prescribed in this country or not prescribed for the person taking them. There has also been a rise in the number of people becoming addicted to legally prescribed, medically monitored drugs, many who are prescribed these drugs legitimately for pain relief for a chronic illness, and then struggle to live without them.

In areas of England with high levels of deprivation, the cost-of-living crisis is fuelling a wave of drugs being sold for as little as 20p a pill. Benzodiazepines, also known as ‘benzos’, are used to treat anxiety and are available from GPs, but over recent years the highly addictive pills have spilled on to the streets.<sup>526</sup> An addiction expert claimed it is easier to get people off crack cocaine than stop them using benzos.

<sup>526</sup> Rollings, G., Storey, A., Barbour, M., Cheap Kills: Our Drug-Ravaged Town Is Tormented by Killer 20p Pills ‘More Addictive Than Heroin’ – We’re Too Afraid To Leave Homes, 3 December 2022

*“It’s not heroin its crack cocaine and tablets, buying tablets off the internet from China for 50 pence and selling them for two quid. You are trebling your profit. There is a lot of crack cocaine and steroid use in this area is probably one of the highest in a country.”*

**Male with lived experience of addiction, Middlesbrough**

In 2017/18, Public Health England found that one in four adults were prescribed benzodiazepines, z-drugs, gabapentinoids and opioids for chronic pain or antidepressants. Since then, opioid prescriptions have been cut by 450,000 with new guidance announced in March 2023 to reduce inappropriate prescribing further.<sup>527</sup>

## Illicit Drugs – Dependency

While the majority of those who take drugs use them infrequently<sup>528</sup>, 28 per cent of those who reported drug use in the past year – some 840,000 – reported being frequent drug users.<sup>529</sup> 11.5 per cent of drug users who had taken drugs in the last year took them every day, with 6.8 per cent taking drugs between three and five days per week and 9.2 per cent once or twice a week. Overall, 36.5 per cent of frequent drug takers were taking drugs at least once per week, amounting to 314,630 people.<sup>530</sup> Frequent use is not necessarily a sign of dependency. The latest national data on dependency is nearly a decade old, but it showed 3.1 per cent of all adults demonstrating signs of dependence on drugs.<sup>531</sup>

Drug dependency is not spread evenly across the population, with Dame Carol Black’s review finding that problem drug use is highly correlated with poverty, and that drug misuse problems disproportionately blight the UK’s most deprived communities.<sup>532</sup>

## Illicit Drugs and Income Deprivation

Any drug use is more prevalent in lower income households. Any drug use, by household income, declines as household income increases, until it rises again for households whose income is over £52,000, as per Figure 31.

527 NHS England, Opioid Prescriptions Cut by Almost Half a Million in Four Years As NHS Continues Crackdown, 2 March 2023

528 ONS, Drug Misuse in England and Wales: Year Ending June 2022, 15 December 2022

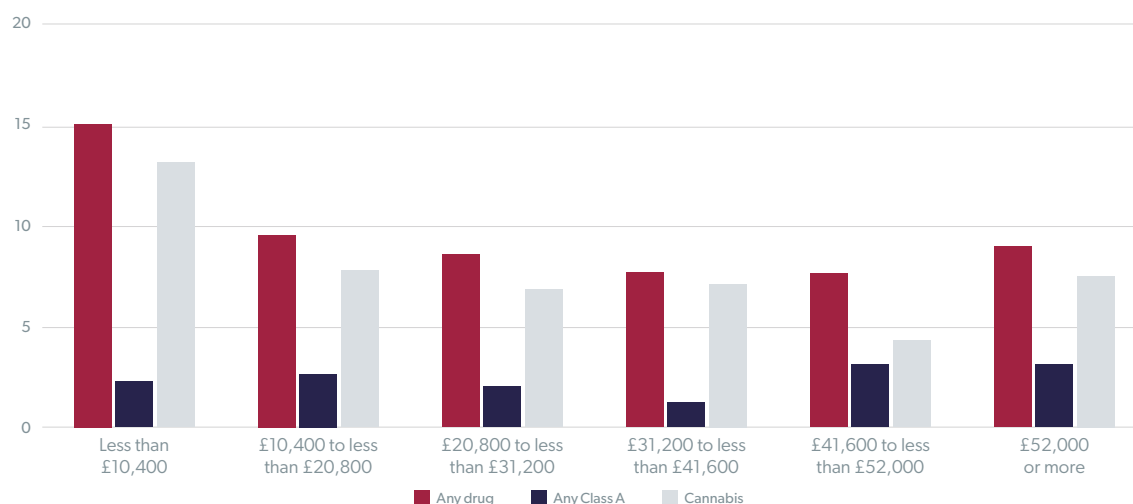
529 Ibid

530 Ibid

531 NHS Digital, Drug use and dependence in Adult Psychiatric Morbidity Survey 2014, 29 September 2016, p. 14

532 Home Office, Review of Drugs: Summary, 17 September 2020

Figure 31: Levels of Drug Use by Household Income, 2021/22



Source: ONS Figure, Crime Survey for England and Wales

Those earning less than £10,400 per year were more likely to use a drug in the last year (15.2 per cent) than those with higher incomes, although these differences may not be independently related as they may be affected by factors such as age, as younger people are more likely to take drugs, and are also more likely to have a lower income.

Conversely those in the highest income groups (over £52,000) were more likely to have used a Class A drug, than those earning under £10,400, as per Figure 31.

## Drug Use and Young People

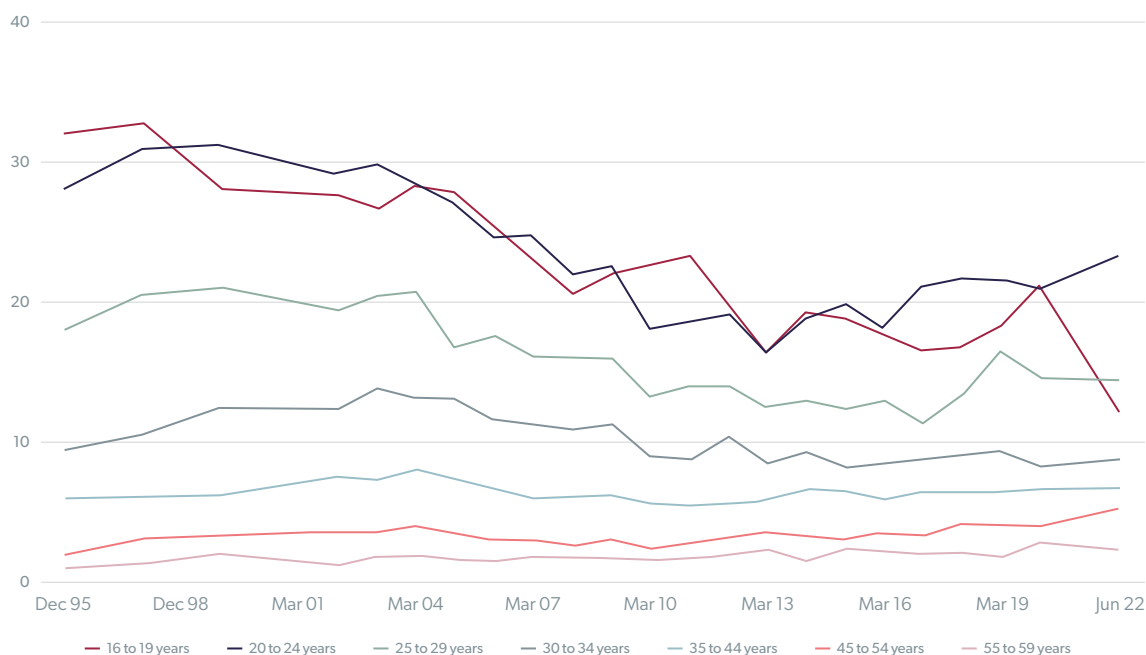
Young people's reported drug use in the past year has risen sharply since the COVID-19 pandemic for those between the age of 20 and 24, but fallen for those between the age of 16 and 19.<sup>533</sup> Young people between the ages of 16 and 19 have seen a sustained fall in drug use since a recent peak during the COVID-19 pandemic, with the proportion of that age group reporting drug use in the past year now at the lowest level it has been since 1995. For the year ending June 2022, nearly three quarters (23.3 per cent) of adults between 20 and 24 reported drug use.<sup>534</sup>

533 Ibid

534 Ibid



Figure 32: Younger People Were More Likely to Have Taken a Drug in the Last Year Than Older People, 1995 – 2021/22



Source: ONS Graph – Crime Survey for England and Wales (CSEW)

Before the COVID-19 pandemic, the proportion of young people reporting drug use was rising faster than the proportion of the general population. Between 2013 and 2020 the proportion of adults aged 16 to 59 reporting any drug use rose by 15 per cent, while for 16 to 24-year-olds the figure was 28 per cent.<sup>535</sup>

Over time there has been a fall in the prevalence of both lifetime and recent illicit drug use among children in secondary school, with 18 per cent of pupils reporting they had taken drugs in 2021, a decline from 24 per cent in 2018.<sup>536</sup> Drug and alcohol services have seen a 23 per cent reduction in the numbers of young people (those under the age of 18 for the purpose of these statistics) accessing treatment from 2019 to 2021, which could be explained by the effects of Covid-19 with school closures and therefore less contact between services and children.<sup>537</sup> There was also less opportunity for young people to access the spaces where they would be offered illicit drugs and make the relevant connections. There has been a three per cent increase in young people accessing drug and alcohol services in 2022, but there continues to be a longer-term reduction of 54 per cent since 2008-2009.<sup>538</sup>

one in five young people between the ages of 16 and 24, 1.1 million people, reported drug use in the year ending June 2022. ten per cent of those are between the ages of 11 to 15 years in England have also reported drug use.<sup>539</sup> While there has been an overall decline in the number of young people using drugs since the 2000s, some 274,000 young adults aged 16-24 were still frequent users of drugs in 2021/22.<sup>540</sup>

535 HM Inspectorate of Probation, County Lines, January 2021, p. 6. Accessed: [www.justiceinspectorates.gov.uk/hmiprobation/wp-content/uploads/sites/5/2021/01/Academic-Insights-county-lines-.pdf](http://www.justiceinspectorates.gov.uk/hmiprobation/wp-content/uploads/sites/5/2021/01/Academic-Insights-county-lines-.pdf)

536 NHS, Smoking, Drinking and Drug Use among Young People in England, 2021, 6 September 2022

537 Office for Health Improvement & Disparities, Young People's Substance Misuse Treatment Statistics 2020 to 2021: Report, January 2022

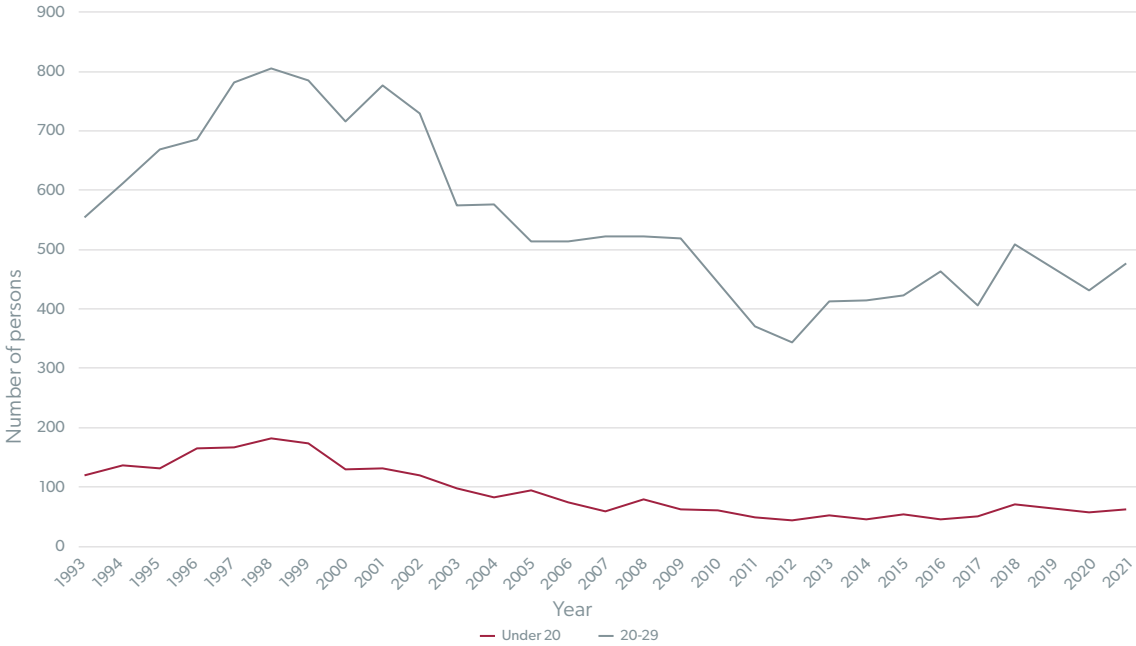
538 Office for Health Improvement & Disparities, Young People's Substance Misuse Treatment Statistics 2021 to 2022: Report, February 2023

539 Office for Health Improvement & Disparities, Young People's Substance Misuse Treatment Statistics 2020 to 2021: Report, January 2022

540 Ibid

The number of young adults (aged 20 to 29) dying as a result of drug poisoning and/or drug misuse has also risen from a low point in 2012 where just 344 deaths were registered. This followed a rapid decline from 777 deaths in 2001. In recent years, this figure has fluctuated and rested at 477 deaths of 20 to 29 year olds dying from drug poisoning in 2021.

Figure 33: Number of deaths from drug-related poisoning and drug misuse, by age, England and Wales, 1993 to 2021



Source: ONS, Deaths related to drug poisoning England and Wales, CSJ analysis of table 2

The number of under 20s dying as a result of drug poisoning fell from 182 in 1998 to a nadir of 43 in 2012. In 2021, the figure was 63. These trends broadly mirror the fall in any drug use from 1995 and increase in use since around 2016, as shown in Figure 32. As the overall rate of deaths involving drug poisoning has been on the rise, it is notable that this has not been driven by a rapid increase in the younger population dying. This suggests that the ageing population of opioid users may be partly behind the reason for the overall increase in deaths.<sup>541</sup>

## Drug Use and Mental Health

Addiction is closely entwined with mental ill health, both as a driver towards dependence on illicit drugs and as a consequence of taking them. As has been stated, cannabis use has been linked to the development of acute and long-term mental health problems such as schizophrenia.<sup>542</sup> Data from the early 2000s reveal that three quarters of drug service users suffer from at least one psychiatric disorder, while 44 per cent of patients of community mental health teams reported harmful drug or alcohol use.<sup>543</sup> Individuals who reported lower personal well-being across a variety of measures of satisfaction were more likely to have used an illicit drug in the last year.

541 ONS, Deaths Related to Drug Poisoning in England and Wales: 2021 Registrations, 3 August 2022

542 NHS Digital, Mental Health and Wellbeing in England Adult Psychiatric Morbidity Survey 2014, Mental Health and Wellbeing in England, 29 September 2016, p. 269

543 Ibid,

The Commission was told of the link between drug use and mental health problems.

*“We have more problems in communities, we never had the diversity of issues that we have now, it’s huge with alcohol and drugs and mental health, mental health is huge!”*

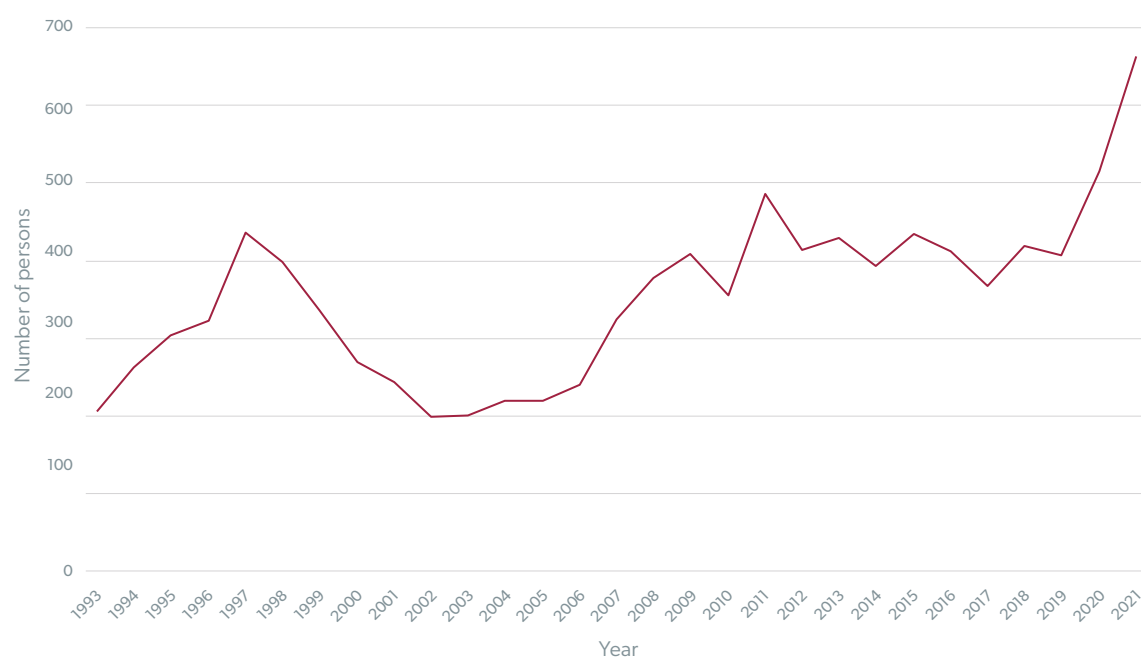
**Charity Leader, Link Community Hub, Sheffield**

## Methadone – Treatment that placates but does not tackle the root cause

Methadone is a man-made opioid and is prescribed by the NHS to those addicted to heroin and is intended to reduce withdrawal symptoms. More than 250,000 people are estimated to be using daily doses of methadone in the UK.<sup>544</sup> In 2018, 145,602 people in England and 1,966 people in Wales received opioid substitution treatment (OST). This was mainly methadone, but also includes buprenorphine.<sup>545</sup> Methadone treatment is estimated to now cost around £1 billion per annum.<sup>546</sup>

Deaths related to methadone have spiked in recent years. There has been a 63 per cent increase in deaths from before the COVID-19 pandemic to 2021. There were 663 deaths involving methadone registered in 2021, which is 28.5 per cent higher than the previous year where there were 516 deaths, as per Figure 34. This is a statistically significantly higher rate than the previous year (11.7 deaths per million in 2021 compared with 9.1 in 2020). Methadone deaths of people not in treatment have also increased, likely as a result of more diverted methadone being available.<sup>547</sup>

*Figure 34: Methadone Related Deaths, England and Wales, 1993 to 2021*



Source: ONS, Deaths related to drug poisoning, England and Wales, CSJ analysis of table 3

544 Recovery.Org.UK, Methadone Addiction – Treatment for Dependency in the UK. Accessed: [www.recovery.org.uk/methadone-addiction/](http://www.recovery.org.uk/methadone-addiction/)

545 Home Office, et al., United Kingdom Drug Situation 2019: Focal Point Annual Report, 31 March 2021

546 Hansard, Drugs Methadone, Volume 800, UK Parliament, 28 October 2019

547 Office for Health Improvements and Disparities, Substance Misuse: Providing Remote and In-Person Interventions, March 2022

Methadone causes more toddlers' deaths by unintentional poisoning in England and Wales than any other prescription drug, research published in the Archives of Disease in Childhood shows. UK researchers analysed national data on childhood poisonings and on hospital treatment or admissions to intensive care for unintentional poisoning from 2001 to 2013. During this period 28 children aged under four died in England and Wales as a result of unintentional poisoning with a prescribed drug, and methadone was implicated in 57 per cent of these cases.<sup>548</sup>

Although the objective of methadone prescriptions is for the patient to reduce their prescription, the Commission heard that in reality many people's doses are not reduced. A study from Glasgow's University Centre for Drug Misuse Research, demonstrated that fewer than four per cent of patients being treated with methadone in Scotland went on to fully recover from their addictions.<sup>549</sup> The remainder either continued taking illicit drugs or simply substituted methadone as a replacement substance for other opioids. This demonstrates a clear disconnect between the policy for methadone use and its distribution in practice.

Over reliance on methadone in medical interventions for treating opioid addictions holds people in a limbo state which makes it difficult for them to overcome dependency, live flourishing lives, maintain work or have healthy relationships. The frequency of the prescription means it is difficult for those who are using methadone to conduct basic functions of life such as working or maintaining other types of commitment, due to being required to pick up their prescription, sometimes daily.

### Case Study: Experience of Methadone

I have been on Methadone on and off for years, this time round it's been 18 Months, and I am on 90mils. Methadone is worse than the drug heroin, it rots your teeth makes you feel tired and worn out. I started on 40 mils and was quickly increased to 90.

Methadone is far worse than the street drug Heroin, if you miss it for a day you start to sweat, shake, and the withdrawals can take months to recover. Doctors say that it does not affect your bones, but it does. The bone pain during withdrawals is awful.

I feel trapped when on Methadone, you can't go anywhere. If I want to have a day away with The Moses [Project] I have to rearrange my pick-up and that can be very difficult. The nick name on the Streets is Liquid Handcuffs and Kryptonite because you can't go anywhere, and it makes you feel weak.

*I get stressed going to the Chemist every day because I know that drug dealers and other users are outside hounding you to buy something or to buy your methadone. Also, in the Chemist I feel dirty having to go in the back door and into a scruffy room. We are not allowed to go in the front door where it's lovely and bright.*

**– Person formerly addicted to illegal drugs  
and now on a methadone prescription, North East**

Provided with permission from The Moses Project

548 Anderson et al., "Severe and fatal pharmaceutical poisoning in young children in the UK," Archives of Disease in Childhood, 2016. Accessed: [adc.bmj.com/content/101/7/653](http://adc.bmj.com/content/101/7/653)

549 Professor Neil McKeganey and Professor Michael Bloor in CSJ, The State of The Nation Report: Addicted Britain, December 2006, p. 78

The Commission has learnt how OST prescriptions are being mis-managed across the prison estate. In 2019/20, approximately one in five people receiving treatment for opiate dependency were in a prison setting. The most commonly prescribed opioids used for OST in prisons are methadone and buprenorphine.<sup>550</sup> As part of the package of care brought in under the integrated drug treatment system (IDTS), all new arrivals into local prisons in England are assessed for drug and alcohol withdrawal, and those who are physically dependent on opiates should be offered low-dose OST (usually methadone). The OST is then, in theory, gradually increased to a stable dose. Those prisoners who arrive already on OST prescribed in the community will usually have it maintained following liaison with the community prescriber and pharmacy. Additional monitoring, including physical observations, review of levels of withdrawal/intoxication and overnight checks, is required during this stabilisation phase.<sup>551</sup>

Often in practice the situation is very different. CSJ research found many cases where those receiving opioid substitute treatment (OST) were using other substances on top of a methadone script. Unprescribed methadone has also become an issue in UK prisons. The 2013 Surveying Prisoner Crime Reduction study followed 3,849 adult prisoners from 2005–06, sentenced to between one month and four years in prison in England and Wales, looking at reported drug history and reoffending and found 20 per cent of males and 27 per cent of females reported using unprescribed methadone.<sup>552</sup>

OST can be a helpful stepping stone to recovery, but it should not be a permanent solution. Simply transferring to an alternative form of dependency lacks ambition for recovery and fails to tackle the root cause of the original addiction.

Brian Jones, of the Moses Project told the Commission: *“Being placed on methadone doesn’t deal with the trauma and the root causes of the addiction. Until you deal with the root cause, no matter how much methadone you give them, they will still go round and round in cycles of addiction.”*

## Alcohol

Overall consumption of alcohol across the nation continues to decline as it has done for over a decade,<sup>553</sup> with young people under the age of 25 less likely to consume alcohol regularly compared to those between the ages of 25 and 64.<sup>554</sup> At the last data national collection, there were approximately 602,391 adults in England with alcohol dependency problems.<sup>555</sup>

During the early months of the COVID-19 pandemic, the Royal College of Psychiatrists found nearly 8.5 million adults drinking at high risk in September 2020, an increase from 4.8 million in February 2020.<sup>556</sup> A survey from June 2020 found that 18 per cent of people were drinking more alcohol in lockdown than before.<sup>557</sup> This was typified by a small charity in the Big Listen Wales speaking about lockdown.

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550 Langridge, M., Bromley, S., “Impact Of Introducing an Alternative Buprenorphine Formulation On Opioid Substitution Therapy Supervision Within UK Prison Settings,” *Prison Services Journal*, May 2022, p. 31

551 HM Inspectorate of Prisons, *Changing Patterns of Substance Misuse in Adult Prisons and Service Responses*, December 2015

552 *Ibid*

553 House of Commons Library, *Alcohol Statistics: England*, House of Commons Library, 28 July 2021

554 *Ibid*

555 Office for Health Improvement and Disparities, *National Statistics Adult Substance Misuse Treatment Statistics 2020 To 2021: Report*, 25 November 2021

556 Royal College of Psychiatrists, *Addiction Services Not Equipped to Treat The 8 Million People Drinking at High Risk During Pandemic*, Warns Royal College, 14 September 2020

557 YouGov, *Are You Drinking More or Less Alcohol Than You Would Have Done Before Lockdown?*, 10 June 2020

*“Drinking every weekend became drinking every day.”*

Pencander Family Centre, Big Listen Wales

In 2020, deaths from alcohol poisoning increased by 15.4 percent, while before the COVID-19 pandemic, alcohol poisoning deaths had dropped by 4.5 per cent from the previous year and were on the decline.<sup>558</sup> Data on alcohol poisoning does not capture other alcohol related deaths such as alcohol related disease, injury, accident or the compounding impact of alcohol in murder or suicide, so the wider deaths related to alcohol are likely to be higher.

Alcoholism is most prevalent in the highest income decile. The 2022 Health Survey for England found that the proportion of adults drinking over 14 units of alcohol per week increased with household income. A similar trend was found for deprivation: those in the most deprived areas (based on IMD quintiles) were least likely to drink at high risk levels. The most deprived IMD quintile also contained the highest proportion of non-drinkers (33 per cent), roughly double that of the least deprived quintile (17 per cent).<sup>559</sup>

However, the data on deaths caused by alcohol do not illustrate the full harm of alcohol dependency. In their latest release on alcohol harm and drinking behaviour, Nuffield Trust reports that in 2021 there were 19.8 deaths per 100,000 population in the most deprived decile compared to 9.5 deaths per 100,000 population in the least deprived decile. This is a 31 per cent increase in the most deprived decile and a 27 per cent increase in the least deprived decile from 2019.<sup>560</sup>

Despite having lower proportions of drinkers with dependency problems, harms from alcohol dependency effect the most disadvantaged areas of the UK the most with higher death rates and increase in deaths over the year period from 2019 to 2020. By region, Scotland and Northern Ireland had the highest alcohol-specific death rates in 2020 (21.5 deaths per 100,000 and 19.6 deaths per 100,000, respectively). However, England and Wales experienced the greatest increase in deaths from 2019 to 2020 (19.3 per cent and 17.8 per cent, respectively).<sup>561</sup>

In England, the number of adults receiving treatment for alcohol dependence dropped sharply from 2013/14 before levelling out in 2017/18. Numbers began to rise at the start of the COVID-19 pandemic in 2019/20 and have returned to levels last seen in 2015/16, as per Figure 35.

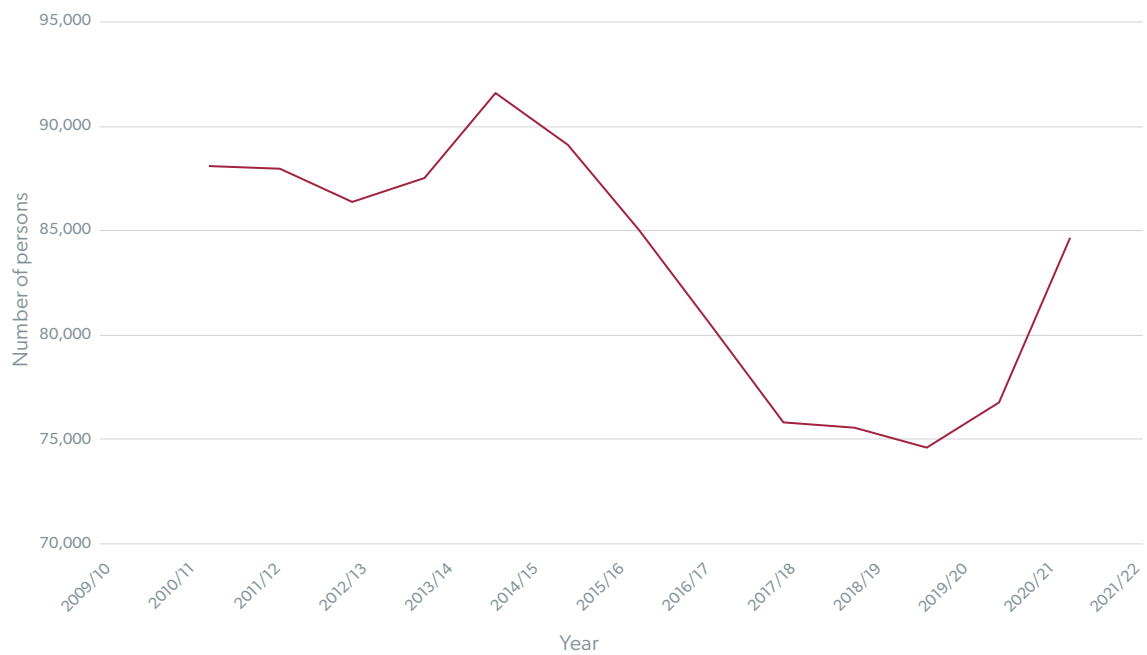
558 Public Health England, Alcoholic Liver Deaths Increased By 21 Per Cent During Year of The Pandemic, 15 July 2021

559 NHS, Health Survey for England 2021, Estimated Weekly Alcohol Consumption, By Sex and Age, 15 December 2022

560 Nuffield Trust, Alcohol-Related Harm and Drinking Behaviour, October 2023

561 The Lancet, Digging Deeper into Alcohol-Related Deaths, February 2022

Figure 35: Adults in Treatment for Alcohol Dependence, England, 2009/10 to 2021/22

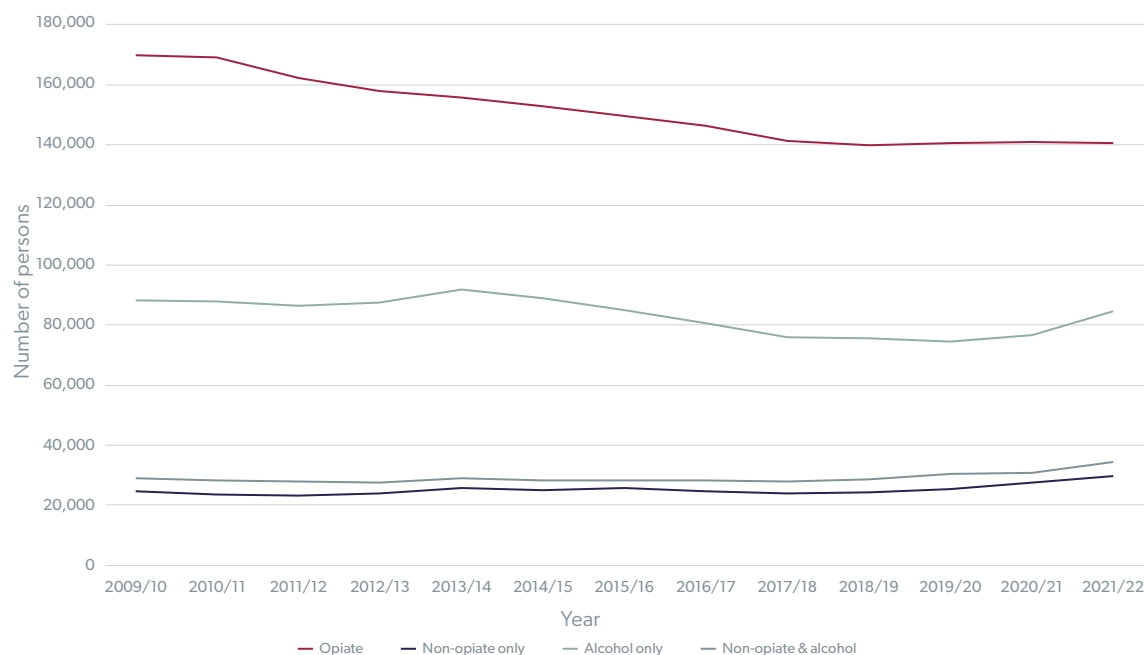


Source: National Drug Treatment Monitoring System, Adult profiles: Adults in treatment – England – Alcohol only

## The State of Recovery and Addiction support

There has been a rise in numbers admitted to treatment for alcohol, non-opiate and alcohol and non-opiate dependencies. Faster growing trends broadly correlate with the beginning of the COVID-19 pandemic, as per Figure 36.

Figure 36: Adults in treatment, England, 2009/10 to 2021/22



Source: National Drug Treatment Monitoring System, Adult profiles: Adults in treatment – England

There were 289,215 adults in contact with drug and alcohol services between April 2021 and March 2022. This is an increase from the previous year where the number was 275,896.<sup>562</sup> People being treated for opiate use made up 49 per cent of adults in treatment, although this figure has been going down slightly. Alcohol treatment forms the second largest cohort of patients. Many of those in treatment have multiple complex needs. 70 per cent of adults starting treatment said they had a mental health treatment need and 11 per cent said they had a housing problem.<sup>563</sup>

The spike in the number of adults drinking at high risk during the COVID-19 pandemic impacted treatment numbers, including the total number of people who died while in contact with treatment services. From 2018/19, to 2021/22, there has been a 550 per cent increase in the percentage of people dying in treatment.<sup>564</sup> This rise in deaths was explained by the Government's own analysis as due to the reduced access to other healthcare services and to changes to lifestyle and social circumstances during lockdowns, as well as the COVID-19 virus.<sup>565</sup> Survey data at the time found that 37 per cent of people who identified as being in recovery experienced a relapse during lockdown.<sup>566</sup>

<sup>562</sup> Office for Health Improvements and Disparities, Adult Substance Misuse Treatment Statistics 2021 to 2022 report, October 2023

<sup>563</sup> Ibid

<sup>564</sup> CSJ analysis of Public Health England, Alcohol and Drug Treatment in Secure Settings 2018 To 2019: Report, 30 January 2020

<sup>565</sup> Office for Health Improvement and Disparities, National Statistics, Adult Substance Misuse Treatment Statistics 2020 To 2021: Report, 25 November 2021

<sup>566</sup> Forward Trust, Impact of Lockdown on Recovery, n.d. Accessed: [www.forwardtrust.org.uk/impact-of-lockdown-on-recovery/](http://www.forwardtrust.org.uk/impact-of-lockdown-on-recovery/)



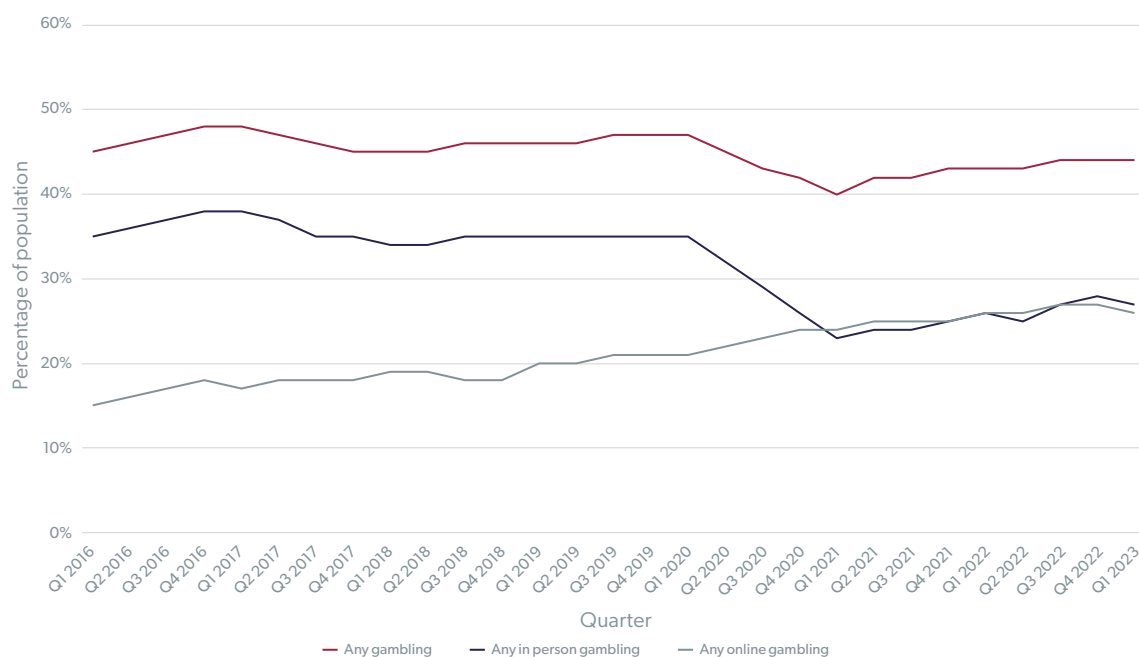
## Gambling

*“We’ve seen an increase in gambling problems. Because they’re not doing it with cash since lockdown; it’s all contactless so on their statements. Big amounts of money from very poor people.”*

Purple Shoots, Big Listen Wales

Following the COVID-19 pandemic, overall gambling participation remains lower than pre-covid levels. In March 2023, overall participation in any gambling activity was 44 per cent of the population. In-person gambling remains stable at 27 per cent, although below the 35 per cent figure recorded pre-COVID-19 pandemic. The percentage of British adults participating in online gambling has increased from 15 per cent in Q1 2016 to 26 per cent in Q1 2023. This trend began to increase more quickly as a result of the restrictions during the COVID-19 pandemic.

Figure 37: Gambling participation over time, Survey of British Adults, 2016 to 2023



Source: Gambling Commission, Gambling participation over time, CSJ reproduction of Figure 1

The Problem Gambling Severity Index (PGSI) is the standard measure of risk behaviours that lead to ‘problem gambling’.<sup>567</sup> Those with a score of one or higher are classified as at some risk of harm from gambling, while those with a score of eight or higher are at high risk of ‘problem gambling.’ In an analysis of the Annual GB Treatment and Support Survey published in June 2023, an estimated 2.9 per cent of the population had a PGSI score of eight or more. This means an estimated 1.5 million individuals are at high risk of harm from gambling, a 23 per cent increase from 2020.<sup>568</sup>

567 Gambling Commission, Problem Gambling Screens, 12 April 2021

568 Gamble Aware, Gambling and Mental Health: Analysis of the Annual GB Treatment and Support Survey, June 2023

Those at risk from the harms of gambling are significantly more likely to be young men. Gamcare data shows that seven out of ten people who contacted the National Gambling helpline were men.<sup>569</sup>

It is clear that those at most risk of harm from gambling are generating the most profit for gambling companies. 60 per cent of the gambling industries profits come from 5 per cent of customers. These people are likely to be 'problem gamblers' (also known as those most at risk of the harms of gambling) or are at risk of becoming so.<sup>570</sup>

There is a correlation between harmful gambling practices and disadvantage. The most socio-economically deprived and disadvantaged groups in England have the lowest gambling participation rates, but the highest levels of harmful gambling. The Government's own analysis also found a clear association between gambling at all levels of harm and increased alcohol consumption.<sup>571</sup> Poor mental health is also a stronger predictor of at-risk gambling.<sup>572</sup> From speaking to lived experience panels across the nation, people told the Commission how often addictions co-present.

Those most at risk from the harms of gambling are also more likely to experience other challenges. Individuals in the PGSI 8+ category make up about 2.7 per cent of the total population but account for an estimated 26 per cent of those with intermittent explosive disorder, and 15 per cent of those with ADHD.<sup>573</sup> An individual with a PGSI score of eight has a 41 per cent probability of having a mental health condition.<sup>574</sup> Regression analysis suggests that a one unit increase in PGSI score is associated with approximately a three per cent increase in the probability of someone having a diagnosed mental health condition, and the pathway between gambling harms and debt could be a key way these outcomes are related.<sup>575</sup>

It is not only those who are at risk themselves that suffer from the harms of gambling. 2020 YouGov data on gambling treatment and support show that around seven per cent of the population of Great Britain (adults and children) were found to be negatively affected by someone else's gambling.<sup>576</sup>

The Government have also calculated the estimated access cost of harms associated with gambling in England. They are as follows; statutory homelessness £49 million; deaths from suicide between £241 and £962 million; depression £508 million; alcohol dependence £3.5 million; illicit drug use £1.8 million; unemployment benefits £77 million; all health costs between £754 and £1,475 million and imprisonment £167 million.<sup>577</sup>

The close intersection between the dealing, taking and criminal supply of illegal drugs has been documented in Chapter Two, Unsafe Streets. This is because the stigma surrounding addiction is often a barrier to early prevention, help and support. Many addictions carry a significant element of taboo which can prevent people from getting any informal, or formal support. Whilst the criminal element of illicit drug use must be dealt with, a public health approach to addictions is appropriate for many of those affected.

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569 Gam Care, GamCare's Annual Report 2021-22, 26th October 2022. Accessed: [www.gamcare.org.uk/news-and-blog/news/gamcares-annual-report-2021-22/](http://www.gamcare.org.uk/news-and-blog/news/gamcares-annual-report-2021-22/)

570 House of Lords, Select Committee on the Social and Economic Impact of the Gambling Industry Gambling Harm—Time for Action, 2 July 2020, p. 6

571 Office for Health Improvement and Disparities and Public Health England, Gambling-Related Harms Evidence Review: Summary, 11 January 2023

572 Gamble Aware, Gambling and Mental Health: Analysis of the Annual GB Treatment and Support Survey, p. 2

573 Ibid

574 Ibid

575 Ibid

576 Ibid

577 Office for Health Improvement and Disparities, The Economic and Social Cost of Harms Associated With Gambling In England, January 2023

## The New Generation of Dependency

A change in the addiction landscape has been the widening language of addiction to describe dependence on all manner of things, from drugs and alcohol but also to food, social media, pornography and even exercise.<sup>578</sup> Corresponding with this enlargement of the definition, there is danger of trivialisation and the potential to confuse addiction with dependency, or to see symptoms of poor mental health as addictive behaviours. For example, debilitating dependency on social media is not the same as addiction to a highly harmful substance such as heroin in terms of the physical, mental and relational damage it causes, and cost to society. However, new forms of dependence must be recognised and treatment developed.

What constitutes an addiction divides the academic and clinical community, with some holding the position that only behaviours that could result in death should be classified as an addiction, while other more freely embrace the non-substance-based dependencies as addictions, such as excessive social media use. The question of to what extent behaviour is a symptom of other mental health disorders also frames much of the addiction debate. This is particularly the case when considering nonsubstance-based addictions such as gaming and pornography.

However, despite a need for caution in defining addiction, the Commission has learnt of a new wave of dependencies appearing across UK communities. This is particularly true amongst young people, for whom the trend over the last 20 years has signalled a turn away from substances like alcohol. The Commission has found that whilst the historic challenges of addiction remain, a new generation of dependencies are emerging including in some cases addictions to vaping, gaming, legal drugs, harmful sexual behaviours like pornography and social media.

## Vaping

Vaping as a phenomenon has grown rapidly in the last few years. 4.8 per cent of 11–17-year-olds vaped in 2020, compared to 8.6 per cent in 2022. Vaping prevalence among adults in England in 2021 was between 6.9 per cent and 7.1 per cent. The use of disposable vaping products has increased substantially, with 52.8 per cent of current vapers using them in 2022, compared with 7.8 per cent in 2021 and 5.3 per cent in 2020.<sup>579</sup> This rose to 15.2 per cent in 2022. This equates to between 3.1 and 3.2 million adults who vape.<sup>580</sup> Only between 0.6 per cent and 0.7 per cent of adults who vape have never smoked,<sup>581</sup> showing the majority of adults who are vaping are previous smokers who may be using vapes as means of smoking cessation.<sup>582</sup>

Although vaping is often marketed as a safer alternative to smoking, it comes with risks to health. Nicotine vapes are still highly addictive and there have been cases of serious lung injuries and deaths associated with vaping. The long-term harms of vaping, including the highly synthetic flavourings, are still to be fully understood.

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578 Kim, S R., et al., "Clarifying Exercise Addiction, Differential Diagnosis, Co-occurring Disorders, and Phases of Addiction," National Health Library of Medicine, 21 October 2011

579 Office for Health Improvement and Disparities, Nicotine Vaping in England: 2022 Evidence Update Main Findings, 29 September 2022

580 Ibid

581 Ibid

582 Ibid

The number of young people reporting smoking is at its lowest ever level, 12 per cent of pupils in 2021 reported having ever smoked.<sup>583</sup> The rise in the number of young people who vape, especially those who have never smoked, is cause for concern and has the potential to undo years of progress on child smoking. A non-representative poll of 42,907 school children run by Votes for Schools found that for 73 per cent of secondary school children and 78 per cent of those aged 16 and above think that we should be worried about vaping.<sup>584</sup>

*“The people who are vaping vape so much more than they would smoke, they’ve got them in their mouth all the time.”*

Charity Leader, Link Hub, Sheffield

Although under eighteens are not able to buy vapes, the Commission heard about the prevalence of vaping in UK schools. One headteacher in the South West of England told the Commission how most of the vapes exchange hands on the “black market”, often being sold on the street corner. This headteacher commented that young people are becoming frequent buyers and sellers of smoking products on the street corners, often originating from the same dealers who deal illicit drugs. The headteacher added that vapes can become small debt repayments for enticing young people to become runners for drug lines, subsequently getting involved in dangerous gangs. The headteacher likened this to the loan shark of vapes. Another link with other forms of illegal drug use was the fact that young people often pull apart the flimsily made vapes and fill them with other substances which are illegal (such as cannabis or cannabis resin).

Figures from NHS England show there were 15 cases where children aged nine or under who needed to be admitted to hospital in the year ending April 2023 due to vaping, up from 12 last year and two the year before that.<sup>585</sup> Eight children from a Sleaford school were taken to hospital after vaping, according to the town’s MP.<sup>586</sup>

## Gaming Disorder

Whilst the number of people gaming has been steadily rising for some time, gaming surged in popularity in 2020, with approximately 62 percent of the population gaming during lockdown, up from 39 percent in 2019.<sup>587</sup> Currently 92 per cent of young people between the ages of 16 and 24 have played video games, up from 73 percent among the same age group in the year preceding the COVID-19 pandemic.<sup>588</sup> Although the vast majority of those who game will do so in a controlled manner that does not impact their day to day lives, an estimated three to four per cent of gamers become addicted.<sup>589</sup> Gaming Disorder was first recognised as a mental health condition by the World Health Organisation in 2018,<sup>590</sup> and the first national Gaming Treatment Centre has been opened in the UK to deal with this new emergence. The Centre has received 745 referrals for treatment since it

583 NHS Digital, Decrease in Smoking and Drug Use Among School Children but Increase in Vaping, New Report Shows, 6 September 2022

584 Votes for Schools, Should We Be Worried About Vaping?, November 2022

585 Sky News, E-Cigarettes: Primary School Age Children Are Ending Up in Hospital Due to Excessive Vaping, 25 June 2023

586 BBC, Eight Sleaford School Pupils in Hospital After Vaping, Says MP, 29 June 2023

587 Clement, J., Video Gaming Audiences in the United Kingdom – Statistics & Facts, August 31 2023

588 Ibid

589 Stevens, M W., et al., “Global Prevalence of Gaming Disorder: A Systematic Review and Meta-Analysis,” Australian and New Zealand Journal of Psychiatry, 2021

590 World Health Organisation, Gaming Disorder, n.d. Accessed: [www.who.int/standards/classifications/frequently-asked-questions/gaming-disorder](http://www.who.int/standards/classifications/frequently-asked-questions/gaming-disorder)

opened in October 2019 and works with those aged 13 and over, with the average age of a patient being 17.<sup>591</sup>

Addiction to gaming is not defined by the number of hours per day spent gaming but rather by its control over ability to do other tasks, to the extent that gaming takes precedence over other interests and daily activities, and that there is a continuation or escalation of gaming despite the occurrence of negative consequences.<sup>592</sup> 18 percent of UK gamers spend six hours or longer playing video games daily and about 30 per cent skipped showers to play games.<sup>593</sup> The average time playing video games across all gamers per week is 7.3 hours.<sup>594</sup>

There is a debate over whether conditions such as gaming disorder should be classified as an addiction, or whether it is better described as a manifestation of other underlying psychiatric disorders. There is a strong correlation between the presence of gaming disorder and anxiety, depression, ADHD, and other social phobias.<sup>595</sup> An Italian study from 2016 found a correlation between gaming and male sexual health, with increased videogame use correlating with decreased sexual desire.<sup>596</sup>

Gaming has also been linked to other forms of addiction such as gambling. Loot boxes are features in video game which can be accessed by playing the game or purchased with real-world money. The Gambling Commission has raised concerns about the blurring of lines between video games and gambling.<sup>597</sup>

## Pornography/Sex Addiction

While pornography has been readily available through print media, the rise of the internet has meant the volume and nature of material available, as well as the ease through which it can be accessed, has rapidly transformed the propensity for addiction. The COVID-19 pandemic increased working from home, which according to the Laurel Centre in London has caused a surge in those consuming high levels of pornography. The Laurel Centre had seen about 750 pornography addicts in the first six months of 2022 alone, compared to 950 for the whole of 2019. Dr Hall, who works at the Laurel Centre, places the dependency line at approximately viewing adult material for two or more hours a day, with some treated by the Centre watching up to 14 hours a day.<sup>598</sup>

In July 2018, the World Health Organization (WHO) declared sex addiction is a mental-health disorder, but NHS clinicians are divided as to whether it exists as its own dependency or is a symptom of wider mental ill health.<sup>599</sup>

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591 NHS, NHS Treats Hundreds with Gaming Disorders, 28 March 2023

592 World Health Organisation, Gaming Disorder, n.d. Accessed: [www.who.int/standards/classifications/frequently-asked-questions/gaming-disorder](http://www.who.int/standards/classifications/frequently-asked-questions/gaming-disorder)

593 Game Quitters, Video Game Addiction Statistics 2023 – How Many Addicted Gamers Are There?, n.d. Accessed: [gamequitters.com/video-game-addiction-statistics/#:~:text=With per cent 2036 per cent 20million per cent 20Britons per cent 20playing,with per cent 20a per cent 20video per cent 20game per cent 20addiction](http://gamequitters.com/video-game-addiction-statistics/#:~:text=With per cent 2036 per cent 20million per cent 20Britons per cent 20playing,with per cent 20a per cent 20video per cent 20game per cent 20addiction)

594 Clement, J., Weekly Hours Spent Playing Video Games Worldwide 2021, By Country, August 30 2023

595 González-Bueso et. al, Association Between Internet Gaming Disorder or Pathological Video-Game Use And Comorbid Psychopathology: A Comprehensive Review, April 2018

596 Sansone, A., et al., "Relationship Between Use of Videogames and Sexual Health in Adult Males," J Sex Med, July 2017, pp. 898-903

597 House of Commons Library, Loot Boxes in Video Games, 25 October 2023

598 The Daily Mail, Working from Home Has Fueled a Rise In Porn Addicts: Clinics Reveal Record Number Of Brits Are Seeking Help After Flexible Working Put 'Temptation At Our Fingertips', 22 August 2022

599 The Telegraph, Sex Addiction Could Be Treated on NHS After Health Chiefs Recognise It As Mental Health Condition, 9 July 2018

## Social Media

Social media has been posed as a potential addition to the list of behavioural addictions, with a strong correlation between high social media use, negative mental health, and low self-esteem, particularly in young people.<sup>600</sup> A US study found that adolescents who spend more time on 'new media' which includes social media and phones, were more likely to report mental health issues compared to adolescents who spent more time on in-person activities. Since 2010, US adolescents have spent more time on new media than on non-screen activities.<sup>601</sup> Whilst a US study, these findings will correspond to many of the experiences of young people in the UK.

The importance of in-person activities, and the ramifications of dependency on social media were told to the Commission by the charity Hatfield at the Big Listen Midlands.

*"Holistic development – we are focused on the arts elements of the work – we build trust and connection. Our young people are underachieving – due to loss of education – people spending time on social media and low education they need wider opportunities to engage and learn."*

Rather than assisting people to build stronger relationships and connections, another American study found that undergraduates who limited their use of Facebook, Instagram and Snapchat to ten minutes, per platform, per day, showed significant reductions in loneliness and depression over three weeks.<sup>602</sup>

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600 The Financial Times, Smartphones and Social Media Are Destroying Children's Mental Health, 9 March 2023

601 Twenge, J. M., et al., "Increases in Depressive Symptoms, Suicide-Related Outcomes, and Suicide Rates Among U.S. Adolescents After 2010 and Links to Increased New Media Screen Time", *Clinical Psychological Science*, 2018, pp. 3-17

602 Hunt, M G., et al., "No More FOMO: Limiting Social Media Decreases Loneliness and Depression," *Journal of Social and Clinical Psychology*, 8 November 2018, pp. 751-768

# The Third Sector

## The Role of the Third Sector

Embedded within the fabric of local communities, the small voluntary groups, charities and social enterprises, called the Third Sector, often most effectively transform lives. Over the course of the Social Justice Commission's inquiry, it was clear these organisations positively and proactively change lives despite sitting outside the public sector. The Third Sector can uniquely offer personalised and relational support to the most disadvantaged people which the state struggles to reach.

However, the value of Britain's third sector goes far beyond the delivery of defined public services. Much of the third sector's value lies in its contribution to social capital - the range of social connections including the trust, mutual understanding, shared values and behaviours that tie people together, encourage co-operation and generate a sense of community and belonging.

Underpinning the third sector are the powerful stories of the leadership teams and staff. Their intrinsic motivations often derived from their own experience or from heightened compassion, giving rise to dedicated and driven services.

Volunteering, formal and informal, is one area arising from this high motivation. The benefit is not exclusive to service users. Volunteering undoubtedly enhances the lives of the vast numbers of people who receive help or support, but also provides a rewarding and fulfilling experience for those who volunteer. Volunteering provides a way for individuals to meaningfully participate in their society, drawing people together from different walks of life and deepening social cohesion and connection.

Campaigning and advocacy are other core values of the third sector. Working directly with many social problems charities, community groups and other social organisations have a powerful and valuable voice for the most vulnerable groups in society. Their perspectives and their passion combine to advocate for changes in attitudes and legislation which might not otherwise occur. These groups highlight the importance of including those with lived experience in service design and delivery.

Finally, the third sector generates philanthropy both on a large scale from high-net-worth individuals and corporates, and on a smaller scale from regular donations by individuals. It is estimated that UK charitable giving amounted to £12.7bn during 2022.<sup>603</sup> Although an increase from 2021 (£10.7bn), the rise must be considered in the context of high inflation, eroding the purchasing power of donations and the real rise in donations relative to incomes less substantial. The rise in philanthropic giving also relates to support for Ukraine, estimated to be 21 per cent up from 17 per cent in 2021 (a figure likely more reflective of the long-term average).<sup>604</sup>

Factors such as the cost-of-living crisis have influenced the giving profile. Fewer people are giving more, with average donation size increase alongside the amount of people giving reducing. The downward trend of giving is exponential according to age groups. Whereas 74 per cent and 77 per cent of age groups 16-24 and 25-34 reported charitable giving in 2013/14, this has reduced to 62 per cent and 48 per cent respectively for 2021/2022. Over the same period for people aged 65-74, those giving fell from 89 per cent to 78 per cent.<sup>605</sup>

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603 Charities Aid Foundation, UK Giving Report 2023, 2023

604 Ibid

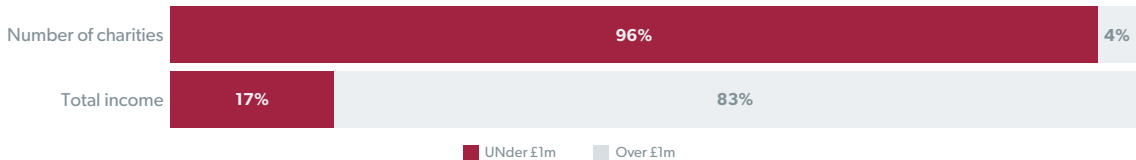
605 Clark, D., Percentage of The Population in England Who Gave To Charity From 2013/14 To 2021/22, By Age Group, Oct 11, 2023

Philanthropic giving and donations generate powerful change externally from Government initiatives. It challenges the idea that Government are the only actors that can deliver meaningful solutions and facilitate projects and initiatives to deliver public good. Philanthropy is often more agile, consistent and unrestrictive than the cycle of Government grants. Philanthropy and donations also encourage a sense of community, reciprocity and social responsibility, generating social cohesion when individuals are demonstrating their concern for the most vulnerable in a concrete and tangible way.

## The State of the Third Sector

The UK charity sector is immensely diverse, ranging from very small charities entirely staffed by volunteers to complex national operations with hundreds of staff. Charities with an income under £1 million a year make up 96 per cent of the voluntary sector in the UK, a figure that has remained fairly constant since 2013.<sup>606</sup> It is estimated that there are approximately 156,000 small charities in the UK and despite making up the majority of the voluntary sector, they only receive 17 per cent of the overall sector’s income, receiving £9.9bn of the £58.7bn in the sector as a whole.<sup>607</sup>

Figure 38: Charity Size Vs Share of Income, 2019/20



Source: NCVO

The gap between the share of funding taken by the small charities and the large providers is widening. In 2013/14 small charities’ share of sector income was 20 per cent, which is now down to 17 per cent. In comparison, the largest charities, those with an income over £100m, keep growing, despite making up less than one per cent of the sector. CSJ analysis shows that 85 per cent of charitable income goes to just 4.4 per cent of charities. Government funding is the second largest source of funding for small charities after the general public, with one in five small charities receiving over half their income from the public sector, but Government income to small charities has declined in real terms over a six-year period, while increasing for charities with an income over £100m.<sup>608</sup>

Charities with an income of under £100k have seen the greatest decline in their income from government, receiving nearly a third less than they did in 2013/14.<sup>609</sup> Frequent challenges for small charities relate to the nature of this income; with projects often over-specified by public bodies far removed from the problems, high reporting criteria and delivery conditionality attached (meaning grant income drains resources), ineffective costing for true delivery (requiring charities to plug shortfall from reserves), and unrealistic delivery timelines. Government grant funding is often released late with short application deadlines, despite funds having been allocated for many months, with tight short-term delivery horizons. Cost factors aside, not only does this favour larger charities with surplus

606 Lloyds Bank Foundation, What the Data Tells Us About The Small Charity Landscape, 23 June 2023

607 Ibid

608 The National Council for Voluntary Organisations (NCVO), Government Funding to Small Charities, n.d. Accessed: [smallcharitiesdata.org/topic/government-funding-to-small-charities/](https://smallcharitiesdata.org/topic/government-funding-to-small-charities/)

609 Ibid



resource to scale and deploy, but it also results in programmes being rushed in both design and delivery with less thought being given to the longer-term sustainability of both service users and the staff employed to run the projects.

## The Third Sector and Covid-19 Pandemic

The COVID-19 pandemic highlighted the vital work of the Third Sector. While many statutory services pivoted immediately to virtual and distanced service delivery, many small charities, continued to deliver in-person services to the most disadvantaged. This face-to-face support proved vital, with digital services failing to replace human contact on an emotional and relational level. Some small charities increased their service delivery faced with rising need. Many small charities in the CSJ Alliance spoke about how they had to adapt quickly and expand their services to respond to changing needs. This included areas often unrelated to their usual programmes, but which they were uniquely placed to deliver. Not only did they feel a moral obligation and expectation, but their networks and existing models were more easily reconfigured to reach vulnerable people compared with the public sector.

*“People see government organisations and they shake (discussion of DWP / job centres), and so charities can help.”*

**Crest Cooperative, Big Listen Wales**

Examples of new operations to meet the immediate need of service users included food parcels, shopping, support for those shielding and companionship for those who were isolated. These programmes were near always delivered in addition to their normal functions. Many charities told the Commission how this success related to unrestricted funding.

*“We’ve proven we can respond in a very swift way where statutory bodies can’t. During the pandemic, we would churn out support left, right and centre.”*

**Chess Homeless, Chelmsford**

*“They [statutory services] are all sat behind screens still and we are getting deck chairs and sitting on doorsteps, playing with rounders bats in the park.”*

**Pure Insight, Big Listen North West**

*“Isolation made life harder, but for a lot of people that was already there. The big difference is the retreating of public services. Hiding behind a phone line and shutting doors. Covid provided a trigger and an excuse to scale back services.”*

**Action Homeless, Big Listen Midlands**

*"Many organisations are now no longer in communities [post-pandemic] offering the support... the covid thing really showed, let's go remote, let's go digital and it doesn't work."*

**Money Buddies, Big Listen Yorkshire**

*"A lot of services now are still online. Not engaging face to face with a lot of services. Some stay for ages to chat when it is face to face. First person they've spent a long-time face to face with. Statutory services have such a high case load they don't have the time. Sometimes been referred behind their back. Money buddies in foodbanks – contracted them because of face-to-face services. Clients need face to face but funding has been withdrawn."*

**Leeds North West Foodbank, Big Listen Yorkshire**

*"We never stopped our services throughout the pandemic."*

**Community Link, Big Listen Yorkshire**

## The CSJ ALLIANCE

The CSJ Alliance is a network of more than 650 small charities, social enterprises, and other local organisations that all tackle poverty on the frontlines. This frontline army has the critical experience and expertise of addressing poverty and supporting the most vulnerable people and communities.

The CSJ Foundation (CSJF) connects these organisations to researchers and decision-makers to bring their expertise into UK policymaking. With offices across the UK, the CSJ Foundation works with these charities to develop an understanding from the ground up. These insights often lead to national policy change helping to address the root causes of poverty and social breakdown.

The in-depth knowledge of grassroots charities and the communities they serve allows the CSJF to provide valuable insights and assistance in this realm. In just two years, the CSJF have successfully directed over £1.7 million towards frontline charities, primarily through the CSJF Founders Network.

The typical Alliance charity tackles the underlying root causes of poverty, not just the symptoms, in their bid to transform lives.

CSJ Award winner, My Chesire Without Abuse, helped the CSJ to persuade the Government that those working in the Domestic Abuse sector should be recognised as key workers so that their children could continue attending school during lockdown.

The Cabinet Office launched a review of Government debt collection practices after the CSJ Alliance highlighted poor practices.

The Government included Serious Violence Reduction Orders in the Police, Crime, Sentencing and Courts Act 2022. These orders were recommended by Alliance charities who work with young people involved in criminal gangs.

The Government announced a new addiction strategy reflecting the CSJ's report 'Road to Recovery' and have begun five treatment pilots based on the experience of a number of Alliance charities reported in that paper.

Despite the agility of small charities and the £750 million the Government announced to support small voluntary sector organisations,<sup>610</sup> the Commission has heard how charities have been deeply impacted by the COVID-19 pandemic with 91 per cent charities reporting a negative impact, according to the Charity Commission.<sup>611</sup> 85 per cent reported impact on their service and delivery.<sup>612</sup> Many charities told the Commission about the rise in demand over the successive lockdowns which has not waned since the end of the pandemic. Many frontline charities welcome the increase in funding, both from public and private sources, during the pandemic. However, this resource came with the expectations to increase delivery which many charities did successfully. Not only do frontline charities now have more demand for their services as the shadow of lockdown remains, but much

610 Gov.UK, Financial Support for Voluntary, Community and Social Enterprise (VCSE) Organisations To Respond To Coronavirus (COVID-19), 20 May 2020

611 Charity Commission for England and Wales, Research and Analysis COVID-19 Survey 2021, 28 October 2021

612 Ibid

of the funding has been removed. Indeed, most charities have observed that following the boom of pandemic related funding, there is now a dearth of resource. This deficit is in part due to rising demand, but also part due to lower Government funding and lower philanthropic support, both relative to the pandemic and to standard delivery expectations. Inflation and the cost-of-living has left a very difficult environment for the third sector.

## Challenges Facing Small Charities

*"If the voluntary sector stood still tomorrow and stopped doing what it does, this country would grind to a halt."*

**The John Haynes Foundation, Big Listen North West**

*"Pre-pandemic we saw people with different levels of need accessing support – now they all have high needs."*

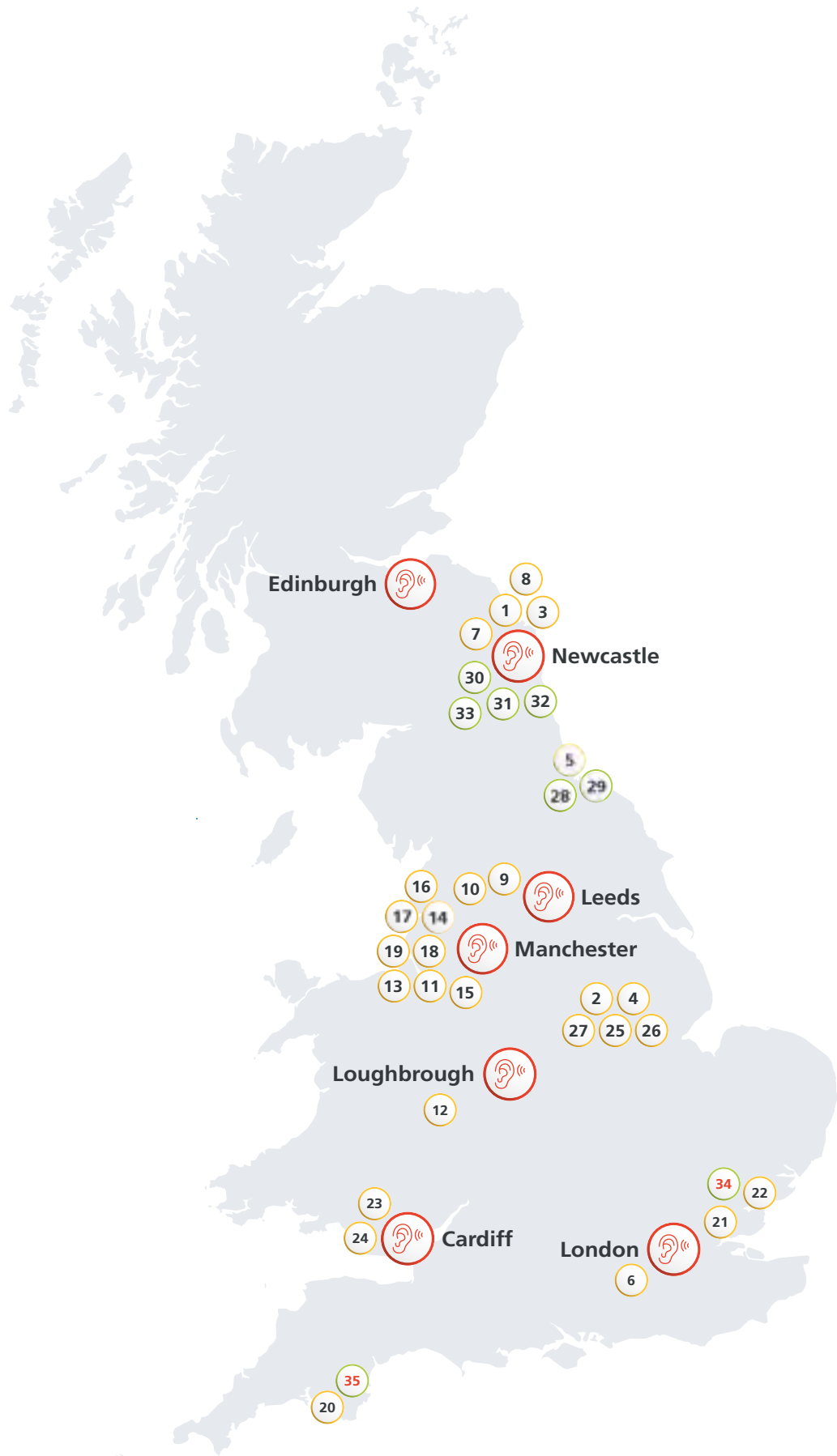
**Barnabu, Big Listen North West**

*"We have a broken system, but we have abundant communities and that needs to be remembered."*

**Netherton Community Centre, Big Listen North West**

To understand what is really going on for small charities across the country, the Social Justice Commission has:

- Made 27 visits to small charities, social enterprises and organisations
- Heard from an additional 30 charities, social enterprises, Local Authorities, a police force and policy experts through virtual meetings or roundtables.
- Hosted five Big Listens events in Loughborough, London, Leeds, Manchester and Cardiff attended by 247 charities, social enterprises and local organisations
- Eight lived experience focus groups, including those with lived experience of prison, addictions to illegal substances, long term unemployment and mental ill health.
- 10 in depth case studies
- 30 responses to the call for evidence
- Travelled over 6200 miles across three nations of the UK
- Polled 6043 adults



The Commission heard of some of the most pressing challenges facing the small and medium sized charities and social enterprises in the third sector. These are: a decline in volunteers, challenges in core funding, securing long-term programmes, collaboration, competition with large charities, engaging with statutory services, risk taking and the rise in demand post-COVID-19 pandemic.

### A Decline in Volunteers

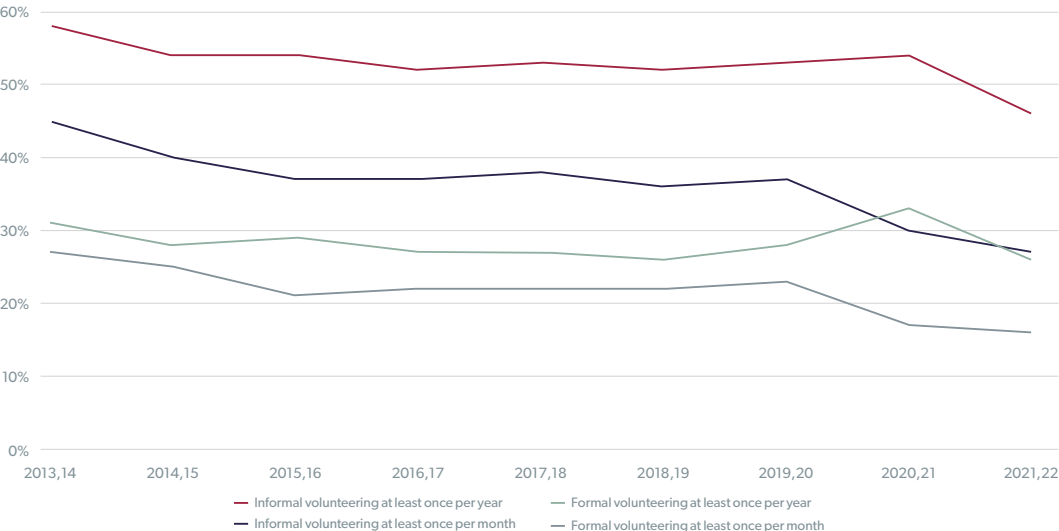
*"[Lots of] volunteers have had to go back to work. People who have retired have had to go back to work, because of the cost-of-living crisis."*

**Greater Manchester Mayor Charity, Big Listen North West**

There was initially a surge of enthusiasm for volunteering during the onset of the COVID-19 pandemic. In the first month of the March 2020 lockdown, an estimated 3 million people in the UK were involved in informal mutual aid groups, and 750,000 signed up to assist the NHS in various tasks.<sup>613</sup> The informal organisation of neighbours and community groups through hyperlocal mutual aid groups, providing shopping or cooking meals for those who were shielding or isolating, was a unique feature of the early COVID-19 pandemic but did not persist in the same form even into the second lockdown of November 2020.

The temporary uptick in volunteering has not continued. A third (32 per cent) of charities surveyed by the Charity Commission in 2021 said they experienced a shortage of volunteers, with other charities reporting to the Commission that volunteering capacity dropped by 40 per cent.<sup>614</sup> The Department for Culture, Media and Sport estimated that there are 4 million fewer people participating in regular formal volunteering than there were in 2019/20.<sup>615</sup> This continues a long-term trend in the decline of volunteer participation rates, as shown in Figure 39.

Figure 39: Volunteering Rates, 2013/14 – 2021/22



Source: Pro Bono Economics analysis of the Community Life Survey

613 NHS England, NHS Army Of Volunteers to Start Protecting Vulnerable From Coronavirus In England, 7 April 2020  
 614 The Charity Commission for England and Wales, What New Research Tells Us About the Impact Of COVID-19 On Charities, 28 October 2021  
 615 Department for Culture, Media and Sport, Community Life Survey 2021/22: Volunteering and Charitable Giving, 28 February 2023

Volunteer recruitment is also proving more difficult than before the COVID-19 pandemic. The average age of volunteers, which skews older, has compounded this. During the COVID-19 pandemic, many regular volunteers stopped temporarily due to concerns about safety, and then not resuming once restrictions loosened. The volunteering sector is also still feeling the effects of the Global Financial Crisis (GFC), where a 'social recession'<sup>616</sup> saw a parallel contraction of the voluntary sector alongside the economic recession.

Although volunteers add vital resource for charities, it must be observed that volunteers are not free. The training, management and coordination of volunteers can take up significant resource for a charity, an area often overlooked. It should also be added that for many areas relating to work with vulnerable people, volunteers lack the skills, specialism, qualification and regulation. Many charities report that using volunteers is too resource intensive on one side, and the expectations of the role too demanding on the other; be that through Government requirements or nature of delivery.

A reduction in volunteers has meant that the paid workforce of charities is having to work harder and longer, increasing the challenge of recruiting new staff due to an increased workload and relatively low earnings potential. The second wave of the Voluntary, Community and Social Enterprise (VCSE) Barometer Survey found that over seven in ten (71 per cent) charities who have recruited paid staff in the past year have found recruitment of staff difficult.<sup>617</sup>

## Challenge to Fund Core Costs or Existing Projects

Charities reported that funding contracts and bids were more readily available for new programmes, and it was difficult to fund projects that were already running, even if their impact was well evidenced. The Commission learnt there is a tendency across the sector to want to move funding provision from old projects onto new, without considering the cohort abandoned or the disruption this creates to both service users and staff. Often charities attempt to keep these projects running through reserves because they are aware of the need and the damage done if withdrawn. There is an expectation on charities to continue their delivery, even when funding is withdrawn, from both the public and Local Authorities.

All charities reported challenges raising funds for core costs as many grants are for programme delivery and do not easily cover core costs. It is vital for a charity to resource their central infrastructure, yet frequently this is frowned upon in contacts. For example, Senior Leadership salaries can be excluded from project funding, but these same leaders are the driving force of the organisation and expected to commit their time and effort to coordinate the application, strategy, design and oversee delivery and reporting.

*"I am sick of people wanting to fund innovative stuff. Communities get sick of it. Projects are parachuted in for a limited period. Funders want to fund innovative things, rather than funding what we know already works or organisations that are already there."*

GIPSIL, Big Listen Yorkshire

616 Laurence, J., The UK Experienced a Sharp Drop in Volunteering Behaviour Following The Great Recession, 26 August 2015

617 Nottingham Business School, Running Hot, Burning Out an Analysis of The VCSE Sector Barometer, In Partnership with Nottingham Trent University National VCSE Data And Insights Observatory, March 2023, p. 3

*"We're using IT systems that don't keep up with requirements for new grants, but we can't fundraise for IT systems because nobody wants to give to that. It's not frontline. But it prevents us from getting bigger grants for frontline."*

**Crest Cooperative, Big Listen Wales**

*"The effect of lockdown and the pandemic has been that the floodgates of funding opened, and now it's completely drying up and being shut down."*

**Wishing Well, Big Listen North West**

*"When there's not money in the pot things have to be cut and it's what they see as extra's (charity contracts) but they're not actually extras."*

**Charity Leader, Rush House, Rotherham**

Charities told the Commission how they found it increasingly difficult to fund IT services and administration staff that were vital for the running of their operations. They expressed frustration that local authorities had detailed and work heavy reporting requirements for contracted services, whilst at the same time were unwilling to fund the staff for producing them.

## Longevity of Programmes and Complexity of Need

Charities reported that funding contracts encouraged programmes that tackle a single issue in isolation, usually through a six to ten-week program. In reality challenges often need to be addressed in the round, and over longer periods of time. Charities reported that it was difficult to successfully design bids for multifaceted issues. Many charities told the Commission that the key to their success in transformation was building trusted relationships with service users, rather than imposing services on them. The most successful charities are often those who have the flexibility to meet the needs of the service user, however the funding bids don't often recognise the longevity, flexibility and holistic approach that is required to see real change.

The way evaluations required by funds are structured can also encourage support to be removed once improvement has been identified. In reality the support needs to be maintained, often for years at a time, to see sustained improvement. Without long-term support, service users can fall back into the problems they had been helped with, and then require the first stage of intervention again. Some charities reported that they had given up applying for funding that had a short time frame as they felt it was more detrimental to begin an intervention and then have it removed, than to not begin the intervention in the first place.

Insecurity was another big challenge. Funding cycles often did not get confirmed until months or even a few weeks before the previous one expires making it very unsettling for service users, and adding to the challenge of retaining staff, who often have to look for other jobs before the next funding package can be confirmed. The nature of this cycle can be damaging for the service user and the organisation supporting them. Chess Homeless told the Commission that due to lack of confirmation on programme funding and extensions, staff would often have to leave and they had to begin a new cycle of recruitment.



*“So our biggest concern is short-term contracts...the issue here was that we were unable to give our staff longer term contracts (due to funding contracts being short term)...obviously they’re going to go and look for work elsewhere.”*

**Charity Leader, Chess Homeless, Chelmsford**

## Collaboration

The Commission was told by the vast majority of consulted charities that they want to collaborate with others, but face challenges in doing so. They believe collaboration, especially if it involved data sharing or co-location of services, would be more efficient for third sector organisations and result in better provision for service users.

However, the nature of the funding pots means small charities are often pitted against each other to secure funding and could be territorial and secretive about their work, making it difficult to collaborate. Charities across the country reported that they would like to have the capacity to consider collaboration between, but that this would require additional funding for staff to free them up to move away from core delivery and to explore partnership.

*“Some charities feel in competition with others because they are all scrapping for crumbs. There is an element of competition.”*

**Mencap, Big Listen Yorkshire**

Charities expressed frustration that there was no approach by local authorities to provide bridges between organisations delivering services, or exploratory approaches to working together with a wide variety of stakeholders for the common good of the area. Instead, charities expressed they felt like their interests were pitted against others working in the same area, meaning the process of delivering local authority contracts was characterised by division and competing interests.

Another barrier to collaboration is GDPR. Although this regulation is intended to protect people, often it can restrict the work of charities and other organisations who are providing services to vulnerable people. The difficulties in sharing data and information about service users makes collaboration challenging, even though the wellbeing of the person is front and centre of all the individuals and organisations involved.

## Competition with Large Charities

Small charities indicated the difficulty they face when it came to applying for bids and contracts, as the majority of funding went to large charities. Despite efforts by the Government to fund small charities through the Coronavirus Community Support Fund (CCSF) during the pandemic, one in 10 grants awarded were given to charities with incomes of over a £1 million, with some receiving money from the grant despite having a turnover of more than £100m per year.<sup>618</sup> Larger national charities

618 Ipsos Mori, Process Evaluation of The Coronavirus Community Support Fund (CCSF), July 2020

can capitalise on their size, usually employing sizeable professional bid writing teams who can focus full time on honing applications to meet specific criteria. Small charities reported only being able to do this in what spare time was left over from delivery and often without much training and during evenings and weekends.

## Engagement with the statutory sector

Charity leaders told the Commission that while some relationships with statutory services were very positive, and that some local authorities were willing to engage at a senior level with the voluntary sector, some charity CEOs felt that they were looked down on because they were voluntary sector leaders.

Charity CEOs reported feeling that voluntary services are seen as less professional or of a lower quality than statutory provision. They felt that the local authorities would sign post to charities when they needed them, but this was often when statutory services had run out of capacity or options. Charity leaders told the Commission how they were repeatedly told they were not statutory services or experts but were expected to act like that when demand exceeded what local services could handle.

*"We're told we're not professionals but we're the ones who are left with the individuals that mental health services won't take...it's a real struggle to get mental health taken seriously...there is nowhere for people with substance misuse issues to go...nobody would take responsibility for [NAME REDACTED], and now she's back on the street because no service would take responsibility for her."*

**Charity Leader, Chess Homeless**

*"We want to provide support and space for healing, and we want to provide that in house. So, for us it's about getting buy in from other (statutory) services, we're all trying to help the same women and deliver the same outcomes."*

**Trevi Women, Plymouth**

*"There are parts of the local authority that are part of a very traditional local authority model like housing. A computer says no attitude...services don't work together well. The criminal justice system telling our service users you must allow access for the father to see children whilst on the other hand, the children's services are telling the women she mustn't allow an abusive father access to children."*

**Anonymous Charity**

Charity leaders said they would welcome the opportunity to guide statutory services, especially local authorities, on how to engage with vulnerable people, helping them to understand some of the complexity of service users' lives. Often it is the front-line charities who are closest to the community and have the experience and expertise required to help in the most effective ways.

*“There’s a lot of top-down solutions. There’s a lot of prescriptive solution.”*

**Charity Leader, Llanhilleth Miners Institute, Welsh Valleys**

*“Statutory organisations want community to take ownership of the problems, rather than dealing with it themselves. They offer prescriptive plans, and then require the charity sector to deliver on it. They are not thinking about investing in the community projects that are delivering these services. The charity sector is exhausted – they are doing the lifesaving work, but they are not resourced to it.”*

**Loughborough Wellbeing Centre, Big Listen Midlands**

*“Central government is asking local government to deliver ridiculous performance indicators, this is what they end up working to, working to results that look good to central government instead of responding to local issues...The local authority should invest in what we know works, relationship-based practice.”*

**Trevi Women, Plymouth**

The Commission was told that contracts put out for tender had reporting requirements that occasionally undermined the needs of service users. Some charities told the Commission how local authorities had tick box reporting requirements that did not address the real needs on the ground. Instead, by fulfilling certain reporting requirements, the local authority could comply with certain standards giving the appearance of tackling an issue. Where tick-box reporting takes place, measurements become skewed and subjective to demonstrate individual and departmental performance. This is often not a true reflection of the outcomes for the people services provide for, nor does it reflect the longer term addressing of the root causes.

*“From the data perspective, that is really challenging. Their (local council) expectations are ridiculous.”*

**Anonymous Charity**

*“When we look at the organisation, the sector as a whole...the amount of charities that cannot keep up with demand or do financially, what they need to do. We’ve had one locally here close down.”*

**Charity Leader, Chess Homeless, Chelmsford**

## Risk Taking

Charities felt that the rigidity of the bidding and reporting process for grants made it difficult for them to take risks and bring service users into a more iterative development process. Charities wanted funders to be open to having more flexible and long-term relationships built on trust that would allow them to innovate within core funding agreements. The Commission was told that tick box requirements set by local authority contracts made it difficult to innovate or quickly respond to the emerging and complex needs of service users.

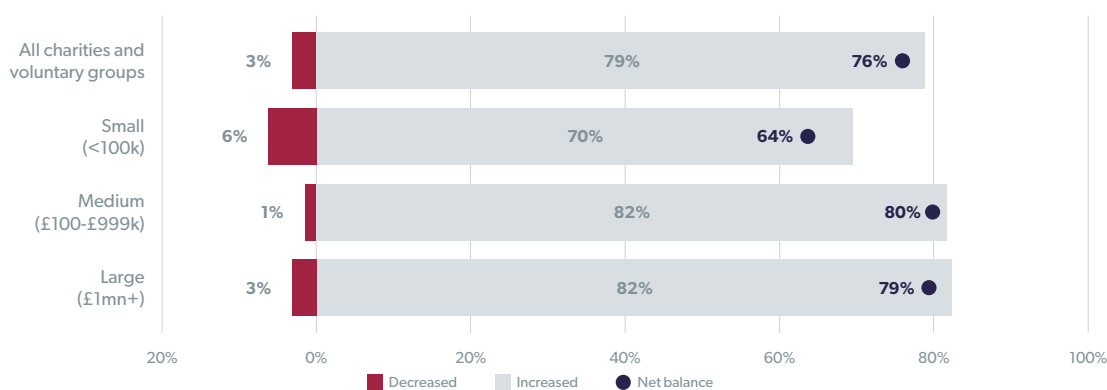
## Rise in Demand

The Commission was told by charities across the country that over the course of the COVID-19 pandemic, a permanent change to demand took place. Many people who had not been reliant on charities started coming through the doors of local organisations for the first time, and many of the personal difficulties faced by service users grew more complex and severe.

For example, charities may have been founded to offer a bespoke service that was not covered by statutory provision, either because of their niche focus, or because the charities offered services in addition to statutory provision. Many charities felt they now had to provide a service that should have been part of the statutory offer. Charities consulted by the Commission corroborated that after the COVID-19 pandemic, and despite COVID-19 restrictions being removed, demand had not abated.

The VCSE Sector Barometer Survey showed that almost four in every five charities (79 per cent) reported an increase in demand for their services between November 2022 and January 2023, with more than four in ten (43 per cent) saying that demand had increased a lot.<sup>619</sup> Almost four in five (78 per cent) expecting demand to continue to grow.<sup>620</sup>

Figure 40: Demand for Charitable and Voluntary Services, 2022 – 2023



Source: Pro Bono Economics, Running Hot, Burning Out

The added complexity of people's health during the pandemic has led to a surge in demand on frontline charities. The majority of the CSJ's Alliance network of grassroots charities corroborated this data with lived experience and told the Commission that people's needs have become much more complex and difficult to solve.

619 Nottingham Business School, Running Hot, Burning Out an Analysis of The VCSE Sector Barometer, In Partnership with Nottingham Trent University National VCSE Data And Insights Observatory, 30 March 2023, p. 5

620 Ibid, p. 5

*“Before Covid customers come in with one issue, now customers come in with multiple complex needs that are behind their usage. There is multiple need.”*

**Simon Fann, Truro Foodbank**

*“There are much more complex issues coming out of the pandemic. Individuals are requiring intensive support, there haven’t been those early interventions.”*

**Erika Sorenson, Cornwall Council**

*“We have more problems in communities, we never had the diversity of issues that we have now, it’s huge with alcohol and drugs and mental health, mental health is huge.”*

**Charity Leader, Link Community Hub Sheffield**

## The Unique Position of the Third Sector

While statutory services must continue a minimum service offer and take responsibility for most challenging cases, particularly when there is an overlap with severe mental ill health or criminality, small charities often remain best placed to support and champion many of the most disadvantaged people. One of the reasons for this is that the voluntary sector is much more positively received by communities than statutory provision. In 2023, PWC found that just 37 per cent of respondents trusted the UK’s public sector institutions to spend public money wisely and represent their interests.<sup>621</sup>

Unlike other comparable sectors, trust in charities has improved since 2018, while many comparable sectors have noticed downward trends, as shown in Table 1, although the average trust in all institutions, including charities, is lower in 2023 than it was in 2008.

*Table 1: Change over time: Mean trust in charities vs other sectors, 2008 to 2023*

SECTOR	2008	2010	2012	2014	2016	2018	2020	2021	2022	2023
Doctors	7.6	7.7	7.6	7.6	7.6	7.6	7.3	7.7	7.2	7.1
Charities	6.6	6.6	6.7	6.7	5.7	5.5	6.2	6.4	6.2	6.3
Police	7.0	7.1	7.1	7.0	7.0	7.1	6.5	6.5	5.8	5.5
Banks	4.8	5.0	5.0	5.1	5.1	5.2	5.5	5.8	5.6	5.6
The ordinary person in the street	5.5	5.5	5.8	5.9	5.8	5.9	5.5	5.6	5.5	5.5
Social Services	5.9	5.9	6.1	6.1	6.0	6.0	5.3	5.7	5.3	5.3

Source: Charity Commission for England and Wales, *Research and analysis, Public trust in charities 2023*, July 2023, No data is provided for 2015

<sup>621</sup> PWC, In 2023, PWC Found That Just 37 Per Cent Of Respondents Trusted The UK’s Public Sector Institutions To Spend Public Money Wisely And Represent Their Interests, November 2022

The voluntary sector has a unique ability to tailor support to the needs of the individual, whereas statutory provision can struggle to assist those with complex needs and is increasingly moving away from an in person, relational service.

*"[We are] not just creating places for people to belong, it is about having a person that sticks with you when you leave the service. We create large extended families."*

**Pure Insight, Big Listen North West**

*"The best route of poverty is a relationship. We need funding to be able to take them on the journey and through the relationship."*

**Cumbria Youth Alliance, Big Listen North West**

Some families reported feeling overwhelmed by the complexity of the network of statutory services and often lack a key trusted individual they can turn to. In one example provided at the Big Listen Yorkshire, a national leading disability charity said they were dealing with a case where 80 separate professionals were involved with one family at a single time. Families identified the support of a charity worker as empowering, because of the flexibility and relationship they offered, which allowed them to work with any issue that presented, rather than moving them on to a different service for each individual challenge. In comparison, charity leaders told the Commission that people would often get trapped in between different statutory services with each service refusing to take responsibility for a person as their issues couldn't be neatly fitted into a category. Inflexibility was a common refrain when the Commission asked charity leaders and service users what their experience was of obtaining support and assistance from statutory services.

Small charities that use volunteers in their support programs told us the power of having someone come alongside a service user that is more akin to a friend than a professional, and how often they hear about the empowerment service users feel when someone comes alongside them that is not paid to be there.

## Case Study – Family Gateway

Located halfway between Newcastle and North Shields, Family Gateway is situated in the Howdon area of Wallsend. Family Gateway works with families in the community to improve their situations, empowering them to develop confidence, skills and to address issues.

Throughout the COVID-19 pandemic, the level of demand for Family Gateway's care rose through the roof. When the Commission first visited in March 2023, we heard first-hand about the lifechanging, and often lifesaving, interventions of Family Gateway in the lives of those they serve.

In November 2023 the Commission spoke to Liz and Asher about their story.

At the beginning of 2020, Liz lived with her son, Asher, and daughter (anonymous) in Howdon. Liz suffered from severe depression and struggled to manage day to day tasks. The families situation had begun to deteriorate after the death of Liz's mother in 2018.

*Liz – “So just before the pandemic I had really bad depression, and I would just sit in the house all day on my own. I would go out if I had to, to get a prescription or go to the doctors, you (Asher) would do anything else wouldn't you, shopping and things like that? I lost me Mam in 2018 which was the start of me depression getting really, really bad. I had really bad anxiety as well. I was an only child so I didn't have any brothers or sisters to help clear out the house or whatever else. So the council came along and said you have two weeks to clear the property. A lot of it, it was just too hard to do, so I just ended up bringing it back to mine (Liz's house). And then my house is just overrun with crap, basically.”*

*Liz – “I was in a bad way, I wasn't doing any housework, because my mental health was so bad. And then in 2020 we had an incident with Asher's sister who was running away all the time and things came to a head, and I ended up slapping her and she rang the police. The police came and wanted to come into the house. I was like no, no, no you can't go in the house, because (pause), I knew. I kind of knew. I knew if they did then something was going to happen. I was arrested and they took Asher into police protection.”*

Asher and his sister were placed into supported living. Asher was then moved to a foster placement in February 2020. He was still there when the first lockdown began in March. Before lockdown, Asher was permitted supervised meetings with Liz, but after the pandemic began, he was allowed no contact at all with his Mother.

*Asher – “I don't think there's been anything like Covid, and I don't think there will be anything like Covid in my lifetime to the extent that it affected me. Because it wasn't just Covid, it was Covid and Care together. It was like this awful cocktail...not only could I not see my parents, but I now couldn't see them at all because of Covid. We did talk (Liz and Asher), but we weren't allowed, and then they found out (foster placement and children's services) and we didn't talk for a while. And that was tough, because I didn't have a great time in my foster placement.”*

*Asher – “The process of getting home was so drawn about because the courts couldn't meet”*

*Liz – “It's normally just a six-month period from when they go into care to getting them home. But Asher ended up in care for nine months because of Covid and the shutdown.”*

Asher's experience of the COVID-19 pandemic and care system has left a lasting impact on his education and mental health. The work of Family Gateway has been crucial in helping Asher and Liz to work through the ups and downs of being back together as a family.

Asher - *"It's (the pandemic) had a massive effect on me. Because like I always say like I could explain what protein synthesis is, I could draw you an alpha glucose thing, but I couldn't label a plant cell. I do biology A-Level but there's still gaps where I don't know what I'm doing because I missed the foundation...I cannot do school like this (online) I have to have a teacher there. Not only for motivation...but for someone to explain it to me and for me to talk to people about my work."*

During the Covid-19 pandemic, Asher and Liz started to visit Family Gateway more often.

Asher - *"Since leaving Care it hasn't been smooth sailing, I've had lots of ups and downs. Probably the biggest down was this summer (2023) when I didn't want to be here anymore. Tried to take many steps to not be here anymore. Originally my Mam spoke to you (charity leader) because it was nice to talk to someone I trusted. I spoke to Jane (charity leader), who put me through to the Health and Wellbeing Coach (at Family Gateway). I continue to work with her, I love her."*

Family Gateway paid half of the costs for Asher to have 12 weeks of therapy sessions.

Charity leader - *"I mean you had all the staff members being like, I'll pay towards it, I'll pay towards it to the point where we couldn't expect them to do that. So, we found some funding to get that."*

Despite ongoing challenges, Liz and Asher have been empowered and supported by Family Gateway to overcome long-term difficulties in their lives. Liz and Asher both volunteer at Family Gateway, Liz now works in the café part time, a first paid job. Asher spoke at the Family Gateway AGM about their testimony, he shared some of what he said with the Commission.

Asher - *"I remember saying in my speech at the AGM that before I went into Care, I pretty much never saw my mum leave the house. And now you can't keep her in the house. It's like...I'm really proud. I'm really proud of her, your work here. Because for me, you doing this is a better job than doctor, or lawyer, or anything like that because you're making a difference on the ground level. The kids leaving and their shouting your name, 'Bye Liz, Bye Liz!'"*

Family Gateway's model powerfully equips those they support to go out and help others in the same way. It provides a place for individuals and families to find security, belonging and connection in their local community.

Liz - *"When I'm in the café, I try to be what Jane (charity leader) was to me. I really try to do that. If somebody comes in, I'm like 'Hiya!' and be really outgoing about it because that's what I had when I came in."*

Liz - *"We always say, the family at Family Gateway is all you's guys. Because we'll even stay and have family tea with you guys on a Monday or Tuesday night don't we!"*

Asher - *"I say everything we have as a family we owe to this charity. I think a lot of people in here would also say the same because I don't even know how much help we've got. I would genuinely do anything for this charity...I just don't think there's any place like it where you get as much support and love from everyone."*



## Successful Partnership between the Third Sector and Statutory Services

For voluntary services a new framework for public service delivery, putting services in the hands of local people is needed. CSJ analysis from 2021 found that voluntary groups and charities, on average, are viewed as holding more responsibility for the community than regional or national government. CSJ analysis shows that local government were viewed as holding the top responsibility for community whilst individuals came second although no single stakeholder was given an average responsibility above 45 per cent, as per Figure 41.<sup>622</sup>

Figure 41: Responsibility for community by sector, 2021



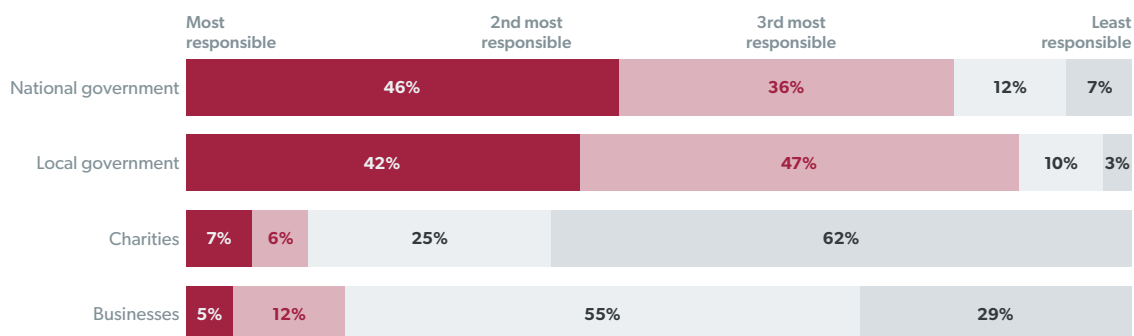
Source: CSJ, Pillars of Community

Figure 41 demonstrates the shared responsibility for local communities which demands an approach that brings together all these different stakeholders in collaboration. The Commission's polling reinforces this perception of shared responsibility. When asked about the responsibility to tackle poverty in a local area, national and local government were seen as most responsible by both the general public and the most deprived (illustrated in Figure 42 and 43 respectively), with the government only being seen as marginally more responsible.<sup>623</sup> For both groups, it is clear that whilst both groups do not view charities as being most responsible for tackling poverty, they are valued, paving a way for collaboration between government and the third sector in addressing root causes of problems that affect the most vulnerable in society.

622 CSJ, Pillars of Community, June 2021

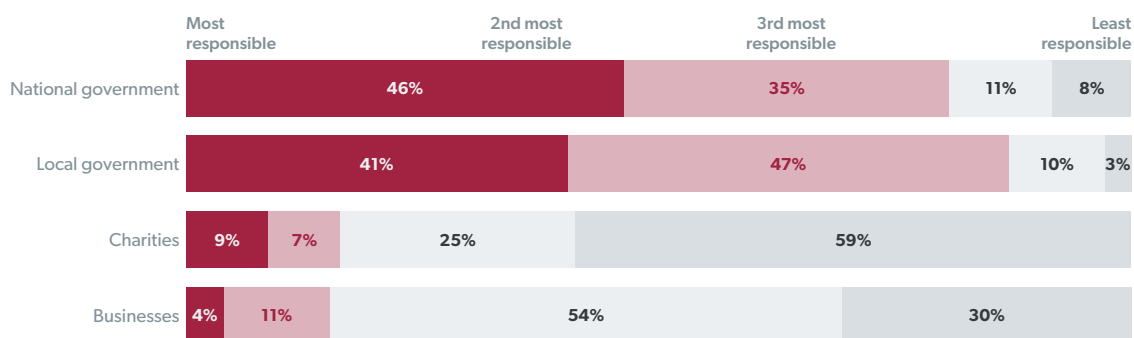
623 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

Figure 42: The General Public, Who is Most Responsible for Tackling Poverty in Their Area



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

Figure 43: The Most Deprived, Who is Most Responsible for Tackling Poverty in Their Area



Source: Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

### Case Study: Voluntary/Statutory Partnership

To discover more about a possible cooperative approach, the Commission visited Family Toolbox in Birkenhead, which brings together multiple charities across Wirral to support families. This Early Help Alliance launched in April 2022 by seven founding member charities: Caritas Shrewsbury, Ferries Families, Foundation Years Trust, Involve North West, Koala North West, Shaftesbury Youth Club and WEB Merseyside. These charities all spoke to the Commission about their experience of partnership and collaboration. 67 charities started working with the Family Toolbox in its first year.

*"It's been phenomenal the sharing of resources. It makes a huge difference to the mental health of those we serve."*

**Toolbox Member Charity**

The Family Toolbox aspires to provide support quickly and provides a universal offer, meaning families can access the services without a referral and can determine the level and nature of support. The Toolbox brings together multiple different organisations, putting an emphasis on personal empowerment meaning families can seamlessly move between the different charity providers, with service users often not realising it is a partnership model, rather than a single charity. The Commission was told how a value underpinning The Family Toolbox was trust - believing that families know what is best for them and empowering them to choose what help they needed. This helped address the distrust many families feel when they are referred to organisations and are not provided which choice.

The Family Toolbox work positively with Wirral Council and have secured a long-term funding deal for five years, with a further extension possible (up-to 9 years). Charities told the Commission that their partnership with the council was unlike anything they had seen before and greatly valued the length of the funding contract that had been agreed, as well as the relational based method of reporting and accountability.

Driving forward this revolutionary partnership with the third sector was Elizabeth Hartley, the Assistant Director of Children's Services at Wirral Borough Council, who had previously worked in the third sector.

*"I feel like there are doors being shut in other areas, they don't see the value of voluntary organisations."*

#### **Toolbox Member Charity**

Since the establishment of the Family Toolbox, Wirral Council have reported a 27 per cent decrease in contacts to Children's Services, with almost 8,000 residents benefiting from support in the first year of the Early Help Alliance being in place.



# FRAGILE FAMILIES

# Fragile Families

*"I am quite convinced that family breakdown is the root cause of nearly everything to be honest. We are underestimating the role of family breakdown across every issue in society. We exist because the dads have walked away from the mums and the children. Those kids use drugs and get involved in crime."*

Community Outreach Manager, Charity, Big Listen London

*"One of the things we get frustrated with when we're working with Government and MPs is that they seem to forget how important family is to all of us. They never really take it into account when they're making policy."*

Charity CEO, Stockton-on-Tees

*"I look to my friends who grew up with relatives and know that they felt loved. Whether through the simple fact that they were told so or shown physical affection like hugs and kisses. They didn't have to navigate formal processes where they asked to be heard and would be judged by someone putting a degree to use. We know as a society the cost of growing up without love."*

Care Experienced Young Person

*"Your family is pivotal, and family is not blood necessarily... and if you rip somebody regardless of age away from places or people that are familiar you disintegrate that person's chances of being successful or even just cope day to day."*

Charity CEO, North Tyneside

As the Commission travelled the country hearing from communities facing the biggest challenges, a key theme emerged from the conversations: the single most important thing in almost everyone's life was their family. People spoke of their families as what motivated them to work. Parents wanted to work hard to provide for their children and children wanted to make their parents proud. Family was who people most worried about and the first people they turned to in difficulty. The Commission also learnt about the profound impact when family relationships are strained, fragmented, or break down, with many referring to early childhood experiences as a defining moment which set a trajectory for their lives.

Stable and supportive families were seen as the key to success. The Commission's polling found that 68 per cent of the general public, and 59 per cent of the disadvantaged agree that a stable and secure family life is the most important factor in determining a person's success and wellbeing.<sup>624</sup> Secure family relationships are central to setting up children for the best start in life. Children from stable families are less likely to be excluded and tend to do better at school,<sup>625</sup> are less likely to be involved with the criminal justice system,<sup>626</sup> and have better employment outcomes<sup>627</sup> than children from families who experience family instability and breakdown. Children's earliest family relationships also influence the type of relationships they go on to form for themselves.<sup>628</sup>

Stable family relationships also support adults, enabling them to be more productive at work, less likely to become ill, and are the first safety net when things go wrong.<sup>629</sup> When functioning as they should, family members stick by through the rough and the smooth, sharing in joys and celebrations and standing by through sickness, disability, and old age. In many cases family is our first point of call; our first hospital, our first bank, our first care home, and our first social security net. In England and Wales, an estimated 5 million people (above the age of 5) provide unpaid care in 2021,<sup>630</sup> saving the taxpayer £162 billion per year, the equivalent cost of an entire second NHS in England and Wales.<sup>631</sup> The majority of this care was provided to family members.<sup>632</sup>

Family is not limited to biological parents and children, with many people understand their family as including extended family networks, who they draw upon for childcare as well as financial and community support. Family does not always require a biological relation as many people draw on close friends and neighbours to provide family-like support. Children are also added to families permanently through adoption or temporarily through foster placements. In all forms of family, one thing is held in common; families are our most important relationships.

Families are also the bedrock of communities, the first unit in the building block of a nation. But when families are under strain, or relationships start to become dysfunctional or break down the fall out can be great. A chaotic family can trap a child in a cycle of worklessness, substance misuse or abuse, with the pattern of family dysfunction passing down the generations. Estimates have placed the cost of family breakdown at approximately £51bn per year to the taxpayer,<sup>633</sup> but that cannot quantify the human misery caused by broken relationships, hearts and promises.

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624 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

625 Department for Children, Schools and Families, *Impact of Family Breakdown on Children's Well-Being: Evidence Review*, June 2009, p. 7

626 Kolvin, I., et al., *Social and Parenting Factors Affecting Criminal-Offense Rates: Findings from the Newcastle Thousand Family Study (1947–1980)*, 1988, pp. 80-90

627 Pryor, J., and Rodgers, B., *Children in Changing Families*, 2001

628 The Centre for Social Justice, *The Next Generation*, September 2008, p. 36

629 NHS England, *Relationships*, n.d. Accessed: [www.england.nhs.uk/supporting-our-nhs-people/health-and-wellbeing-programmes/nhs-health-and-wellbeing-framework/elements-of-health-and-wellbeing/relationships/](http://www.england.nhs.uk/supporting-our-nhs-people/health-and-wellbeing-programmes/nhs-health-and-wellbeing-framework/elements-of-health-and-wellbeing/relationships/)

630 Office for National Statistics (ONS), *Unpaid Care, England and Wales: Census 2021*, January 2023

631 Petrillo, M., and Bennett, M., *Valuing Carers 2021: England and Wales*, May 2023, p. 3

632 Houses of Parliament, *Unpaid Care*, July 2018, p. 1

633 Relationships Foundation, *Cost Family Failure 2018 Update*, 29 January 2018

## Family Structure

While there is no such thing as a 'normal' family, and each experience of familial relationships is unique to the individuals concerned, there are trends, and these patterns of family life have changed dramatically. A key observation is that the UK is an outlier in family fragility, as noted by the Institute for Fiscal Studies (IFS) which states:

*"A notable hallmark of British families is their greater fragility and complexity as compared with families in other western European countries."* <sup>634</sup>

The IFS analysis rests on findings that more children are born into lone mother families and there are higher rates of parental separation in the UK than in comparable European countries. 23 per cent of UK families with dependent children are headed by a single parent, compared with an EU average of 13 per cent.<sup>635</sup> Data collected by the OECD shows that 12.5 per cent of parents in the UK are divorced or separated compared to an OECD average of 10.<sup>636</sup> Comparing family stability across Europe found that less than 10 per cent of children were raised by a lone mother from birth through to the age of 12, with a notable exception of the UK where this figure was a quarter.<sup>637</sup> In 2022, the IFS highlighted data which shows that 44 per cent of children born at the turn of the millennium will not have lived with both biological parents throughout their childhoods. This figure was just 21 per cent for children born in 1970.<sup>638</sup> This unique family fragility is in part due to the changing nature of family structure across the country.

## Marriage

In 2022, married couples with children remained the most common family type in the UK. However, one of the biggest changes in family life over the past half a century has been the decline in the proportion of families with children where the parents are married. In 2021, for the first time since records began, more children – 51 per cent – were born to unmarried mothers in England and Wales than to those in a marriage or civil partnership.<sup>639</sup> In 2002 this figure was 40 per cent.<sup>640</sup> CSJ analysis in 2020, using data from 2019, predicted the tipping point for the majority of births being to unmarried mothers to be in 2024 or 2025. The restrictions on weddings during the COVID-19 pandemic appears to have accelerated the trend.<sup>641</sup>

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634 Kiernan, K., Crossman, S., and Phimister, A., Families and Inequalities, IFS Deaton Review of Inequalities, June 2022, p. 1

635 Office of the Children's Commissioner, Family and its Protective Effect, September 2022, p. 17

636 OECD, Proportion of Parents That are Separated or Divorced, By Country and Latest Available Year Chart SF3.2.A, December 2019

637 The Social Trends Institute, Essay: The Cohabitation-Go Round: Cohabitation and Family Instability across the Globe, 2017, p. 12

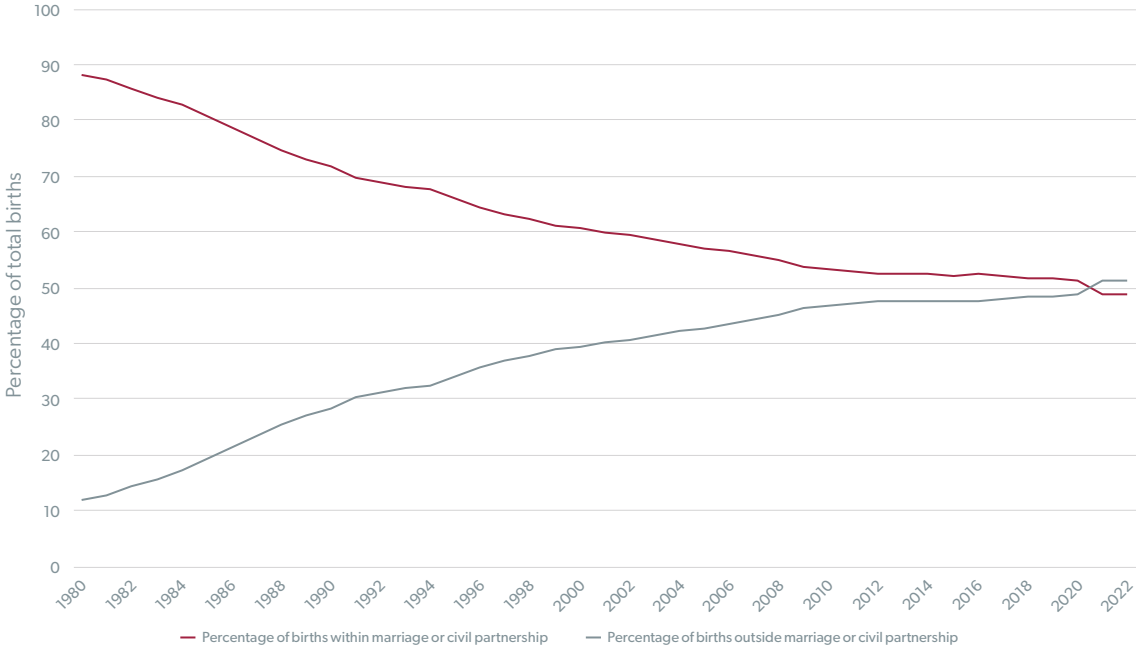
638 Kiernan, K., Crossman, S. and Phimister, A., Families and Inequalities, IFS Deaton Review of Inequalities, June 2022, p. 54

639 ONS, Births in England and Wales: 2021, August 2022

640 ONS, Births in England and Wales: 2012, July 2013

641 CSJ, Family Structure Still Matters, August 2020, p. 4

Figure 1: Percentage of Births Within and Outside of Marriage or Civil Partnership, 1980 to 2022



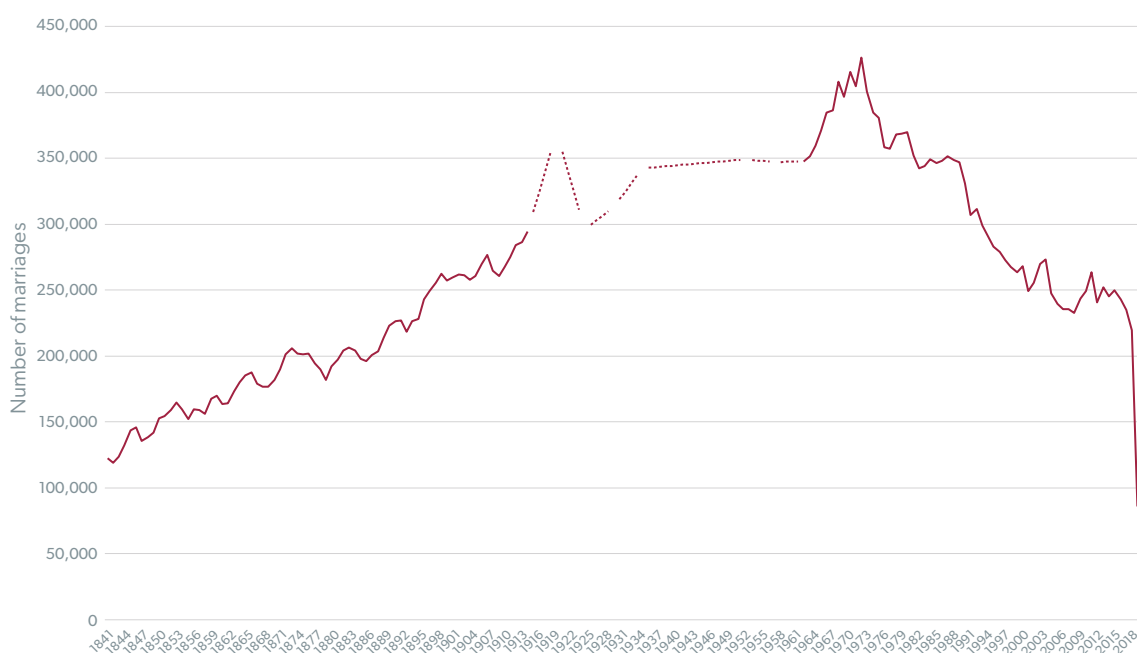
Source: ONS, CSJ analysis of 'Births in England and Wales: summary tables'

In 2004, 63 per cent of families with dependent children were married. This figure has remained similar over 20 years declining by just one percentage point to 62 per cent in 2022 (although the onset of the COVID-19 pandemic led to a temporary pause on new marriages, except in exceptional circumstances).<sup>642</sup> Over a longer period of time, the number of marriages in England and Wales has been steadily declining, from a high of 426,241 in 1972 to 219,850 in 2019. In 2009, marriages fell to 232,443, a similar number to the late 1800s when the population was around 37 million. The decline in marriages has been a monumental historical change. In 2020, as a result of COVID-19 pandemic restrictions, marriages dropped to a historic low of 85,770, as per Figure 2.

642 ONS, Dataset, Families and Households, 18 May 2023



Figure 2: Number of New Registered Marriages, England and Wales 1841 to 2020



Source: ONS, CSJ analysis of 'Marriages in England and Wales'

In 2002, 54.8 per cent of those over the aged of 16 were married.<sup>643</sup> This figure is now 50.6 per cent.<sup>644</sup> Analysis from the 2021 Census showed that adults today were 44 per cent more likely never to have been married than in 1991.<sup>645</sup>

Those who do marry now are getting married later in life. The average age at marriage for opposite-sex couples in 2020 was 35 for men and 33 for women. In 1970, the average age was 27 for men and 25 for women.<sup>646</sup>

Marriage rates are not spread evenly across the income brackets. In 2021, 71 per cent of parents in high earning families were married compared to 34 per cent in low earning.<sup>647</sup> Analysis of birth characteristics in England and Wales by the Marriage Foundation shows that being born into the richest families today means you have a 71 per cent chance that your parents are married. If you are born into the poorest, the chance your parents are married is just 34 per cent and could be as low as 18 per cent.<sup>648</sup>

Despite the decline in marriage, it remains by far the preferred future family type for young adults. Over eight out of ten young unmarried women and men want to get married and only one in ten 18–34-year-olds say they do not want to get married.<sup>649</sup>

643 ONS, Population Estimates by Marital Status and Living Arrangements, England and Wales: 2002 To 2015, July 2016, p. 7

644 Civitas, Who Gets Married and Who Doesn't – Evidence from the 2021 Census, 10 May 2023

645 Ibid

646 Office for National Statistics, Marriages in England and Wales: 2010, 29 Feb 2012, p. 7

647 The Marriage Foundation, The Marriage Gap, February 2023, p. 1

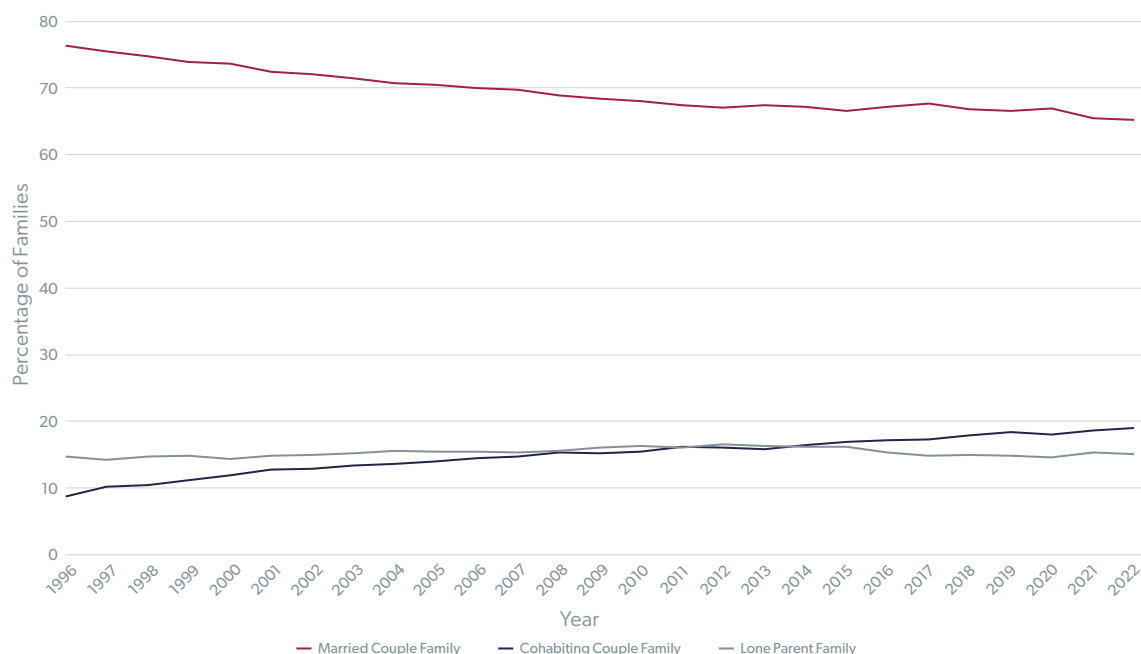
648 The Marriage Foundation, The Marriage Gap, February 2023, p. 1

649 You Gov, Do Britons Still Want to Get Married?, June 2022

## Cohabitation

While married couple families remain the most common family type in the UK, the fastest growing family type over the last decade has been cohabiting couple families. The share of cohabiting couple families has increased from 13 per cent in 2002 to 19 per cent in 2023.<sup>650</sup> Opposite sex cohabiting couples have increased by over 1.4 million over the past two decades and 700,000 in the last ten years.<sup>651</sup>

Figure 3: Percentage of Married, Cohabiting, Lone Parent Family Types Out of Total Family Types, 1996 to 2022



Source: ONS, CSJ analysis of 'Families and households in the UK'

Married and cohabiting families, as a family type, are not interchangeable in terms of their stability and longevity. As an overall trend, parents who are married are more than twice as likely as parents in any other family structure type to stay together,<sup>652</sup> even after considering mothers' age, education, ethnicity, household income and relationship happiness.<sup>653</sup>

On the whole, married couples are more likely to stay together. In the Millenium Cohort Study (MCS), 88 per cent of married parents were still together when their child was five years old compared to only 67 per cent of parents who were cohabiting at the time of the child's birth. 60 per cent of parents who were not married before their child was born ended up splitting up, compared to only 21 per cent who married.<sup>654</sup> Children born to cohabiting parents were almost three times more likely to no longer live with both their parents when they were 5 years old, compared to children born to

650 ONS, Families and Households in the UK: 2022, May 2023

651 Ibid

652 Holmes, J., and Kiernan, K., Fragile Families in the UK: Evidence from the Millennium Cohort Study, University of York Draft Report, 2010, pp. 7–8; Panico, L., et al., Changes in Family Structure in Early Childhood In The Millennium Cohort Study, Population Trends, 142(1), 2010, p. 6; Kiernan, K., Fragile Families in the US and UK, Princeton University, Centre for Research on Child Wellbeing, 2011, p. 12; Amato, P., Patterson, S., The Intergenerational Transmission of Union Instability in Early Adulthood, Journal of Marriage and Family, 79(3), p. 734

653 Benson, H., Married Poor More Stable Than Unmarried Rich, May 2022, p. 1

654 Benson, H., Sources of Family Breakdown in the UK, July 2023, p. 1

married parents.<sup>655</sup> Another longitudinal study found that of all union disruptions, 79 per cent were disrupted cohabitations.<sup>656</sup> Analysing relationship transitions, another measure of family stability, shows the relative fragility of cohabiting relationships, the average cohabiting mother experiences 0.88 relationship transitions which is three times higher than the rate for married mothers at 0.27.<sup>657</sup>

The persistently stable cohabiting couple, with children, is statistically relatively rare, although outliers exist. As a general rule, cohabiting couples tend to either break up or get married. Analysis using the British Household Panel Survey found no matter how long couples had been in a relationship, four out of ten cohabiting couples split up during the ten years after they moved in together. For those that had lived together for ten years, just three out of ten went on to marry. While the majority of couples who married remained together, a minority of those who did not marry were together ten years on.<sup>658</sup>

## Lone Parents

Lone parents do a very difficult job, often in very challenging circumstances and proper consideration and appreciation of their role is important. The proportion of lone parent families has stayed relatively consistent over the last decade, accounting for 15 per cent of all families in 2022 (2.9 million) and 17 per cent of all families – 3.0 million – in 2012, as shown in Figure 3. Lone parent families with dependent children account for 23 per cent of total families with dependent children, as shown in Figure 5. Children in lone parent families are more likely to be living in income poverty, with nearly half in relative income poverty in 2019-20.<sup>659</sup> The vast majority of these families are also headed by women with 84 per cent of lone parent families being led by a mother (2.5 million).<sup>660</sup>

Around 20 per cent of first-born children and 16 per cent of all children are born to parents who are not living together at the time of birth. Of this cohort only 5 per cent are registered solely by a mother, indicating that the majority of children have both parents present in their lives at the time of birth, even if their parents are no longer in a relationship or living together.<sup>661</sup> Children whose parents are already separated by the time of birth have some of the most unequal starts in life. They are remarkably geographically concentrated in areas of deprivation and are a particular feature of the former industrial regions of the country.<sup>662</sup> In 2018, non-partnered births accounted for 34.9 per cent of all births in Knowsley, 30 per cent in Hartlepool, 29.6 per cent in Halton and 29.2 per cent in Liverpool.<sup>663</sup> Respectively, in 2021, these four local authority areas were the 2nd, 5th, 31st and 4th most income deprived councils in England.<sup>664</sup> This compares to non-partnered births in 2018 accounting for 7 per cent or less in Wokingham and Mid Sussex,<sup>665</sup> which in 2021 were the 2nd and 4th most affluent areas, respectively.<sup>666</sup>

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655 Holmes, J. and Kiernan, K., *Fragile Families in the UK: Evidence from the Millennium Cohort Study*, University of York, 2010, p. 8

656 Amato, P. and Patterson, S., *The Intergenerational Transmission of Union Instability in Early Adulthood*, June 2017, p. 735

657 Holmes, J. and Kiernan, K., *Fragile Families in the UK: Evidence from the Millennium Cohort Study*, University of York, 2010, p. 8

658 Benson, H., McKay, S., *Commit or Quit: Living Together Longer?*, May 2023

659 IFS, *Pre-Pandemic Relative Poverty Rate for Children of Lone Parents Almost Double That for Children Living with Two Parents*, 4 July 2022

660 ONS, *Families and Households in the UK: 2022*, May 2023

661 Kiernan, K., Crossman, S., Phimister, A., *Families and Inequalities*, IFS Deaton Review of Inequalities, June 2022, p. 42

662 *Ibid.*, p. 1

663 *Ibid.*, p. 9

664 Office for National Statistics, *Exploring Local Income Deprivation: A Detailed Picture of Disparities Within English Local Authorities to A Neighbourhood Level*, May 2021

665 Kiernan, K., Crossman, S., Phimister, A., *Families and Inequalities*, IFS Deaton Review of Inequalities, June 2022, p. 8

666 Office for National Statistics, *Exploring Local Income Deprivation: A Detailed Picture of Disparities Within English Local Authorities to A Neighbourhood Level*, May 2021

The number of lone parents at any particular time does not reflect the full extent of family fragility given that separated parents may go on to re-partner. The Understanding Society Survey shows that at any given time between 19 and 25 per cent of families are lone parent families but over a six-year period 33 per cent of families have been a lone parent family.<sup>667</sup> Therefore, the number of lone parent households at any given time does not reflect the full extent of the number of children not living with both biological parents.

This loss of a biological parent from the home can impact children profoundly and it is closely associated with negative impact on children's development and wellbeing, even after accounting for selection bias.<sup>668</sup> Research using Department for Education data found that parental separation at age seven had negative associations with behaviour at age 13, even after controlling for previous wellbeing.<sup>669</sup> While many parents will go on to form a stable relationship with a new partner, therefore returning to being a two-parent household again, the impact on the child who has experienced the separation of their biological parents can remain. A recent German study analysed the transition of a single parent re-partnering and found that re-partnering still impacted children even if it created a stable relationship. The study found a ten per cent increase in emotional symptoms and a five per cent increase in conduct problems, after the biological parent had re-partnered.<sup>670</sup>

## Divorce

Divorce is also changing. While the 12 months before lockdown saw a 23 per cent rise in the number of divorces,<sup>671</sup> in 2018, the divorce rate was the lowest since 1971 and a 10.6 per cent decrease from 2017.<sup>672</sup> Over the last two decades the divorce rate has declined from a high of 13.4 for men and 13.2 for women in 2003/2004 to a low of 7.6 for men and women in 2018. Since then, the divorce rate has been climbing to 9.3 for men and 9.4 for women in 2021, as per Figure 4.

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667 University of Sheffield, *Family Portrait: Single Parent Families and Transitions Over Time*, 2018

668 Lee, D., McLanahan, S., *Family Structure Transitions and Child Development: Instability, Selection, and Population Heterogeneity*, August 2015, p. 760

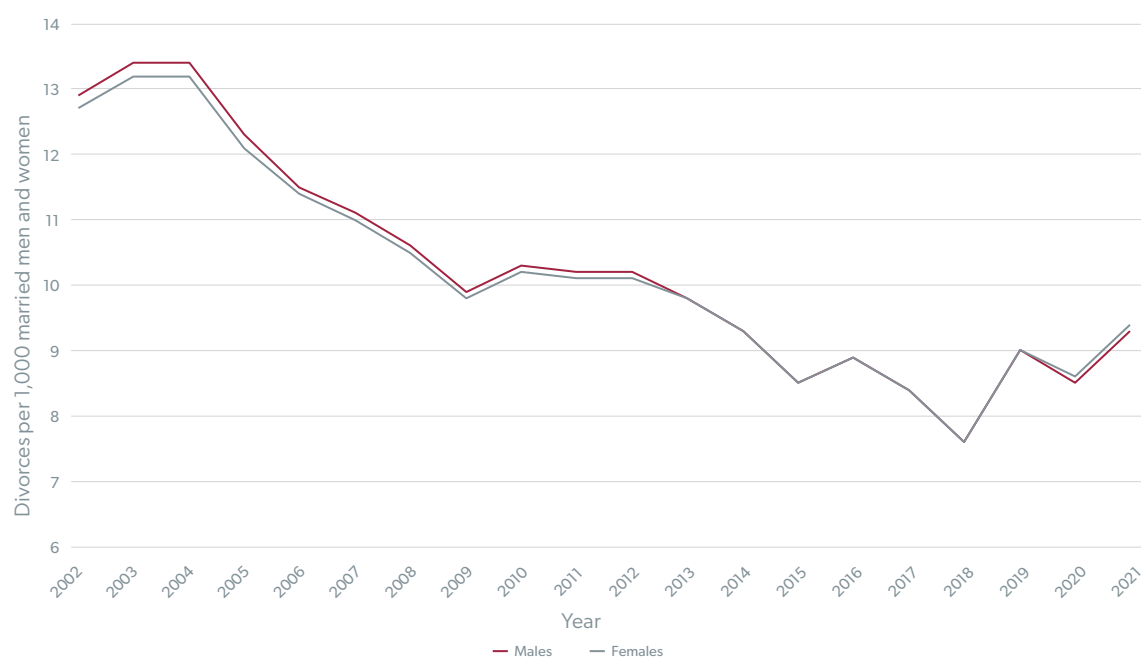
669 Department for Education, *Family Stressors and Children's Outcomes*, Research Report, DFE-RR254, 2013, p. 72

670 Kuhlemann, J., Krapf, S., "Parental Re-Partnering and Child Well-Being: What Role Does Co-Residence Play?", *Journal of Family Research*, August 2022

671 The Daily Mail, *Divorce Numbers Surged by Almost A Quarter In The 12 Months Before Lockdown – Representing One Of The Sharpest Ever Rises*, 26 July 2020

672 Office for National Statistics, *Divorces in England and Wales: 2018*, 29 November 2019

Figure 4: Divorce Rate per 1,000 married men and women, England and Wales, 2002 to 2021



Source: ONS, CSJ analysis of 'Divorces in England and Wales'

The reduction in divorce rates over time implies that although marriage rates continue to fall, those who do get married are more likely to stay married. As marriage becomes less common, it appears that those who marry now do so with more intentionality rather than due to social pressure. Although divorce rates have stabilised since 1980, the prevalence of family breakdown continues to rise, now not driven by divorce as much as by the dissolution of cohabiting partnerships.

Another major change in divorces came in 2022, with the introduction of No-Fault Divorce. No-Fault Divorce allows married couples looking to separate to jointly file for a divorce on a no-fault basis. More than 12,000 new divorce applications were filed as no fault divorce became available.<sup>673</sup> There was an increase of 14 per cent in divorce applications from the nine months after the law was introduced compared to the nine months prior to no-fault divorce being available.<sup>674</sup>

## Family Fragility and the Most Disadvantaged

While all families can experience strain and are faced with challenges, the most disadvantaged families are the most likely cohort to experience family breakdown.<sup>675</sup> A teenager growing up in the poorest 20 per cent of households is two thirds more likely to experience family breakdown than a teenager in the top 20 per cent.<sup>676</sup> Family fragility is also not evenly spread across ethnicity with 51 per cent of Black, Black British, Black Welsh, Caribbean or African Caribbean families headed by a lone parent, compared with an average of 16 per cent for those from an Asian, Asian British or Asian Welsh ethnicity, and 22 per cent for those from a White ethnicity.<sup>677</sup>

673 The Law Society, Spike In 'No Fault' Divorce Applications, 10 June 2022

674 The Law Society, 'No Fault' Divorce: One Year On, 6 April 2023

675 Hymowitz, K., Marriage and Caste in America, 2006, p. 16

676 Centre for Social Justice, Fully Committed? How A Government Could Reverse Family Breakdown, 2014, p. 15

677 Office for National Statistics, Families in England and Wales: Census 2021, May 2023

Those at the highest decile of the income spectrum continue to marry at high rates: 84 per cent of couples in the highest income quintile are married.<sup>678</sup> This means children born to higher earning parents are more likely to benefit from the double impact of finance in addition to accruing the benefits of stability and longevity that married parents confer. Although often appearing together these benefits are independently associated with marriage, even after finances are taken into account and include increased likelihood of better mental health,<sup>679</sup> better cognitive development,<sup>680</sup> and reduced likelihood of displaying externalising behaviour challenges,<sup>681</sup> even after controlling for associated factors.<sup>682</sup> In contrast only 11 per cent of couples who cohabit are in the highest quintile of income.<sup>683</sup> Even children from more advantaged backgrounds whose parents separate are more likely to have lower educational attainment and incomes later in life than similar children whose parents remain together.<sup>684</sup>

Conversely, only 45 per cent of those in the bottom quintile are married.<sup>685</sup> At aged 18, 65 per cent of the general public had married parents who were still together, compared to 45 per cent of the most deprived.<sup>686</sup> Children born to families on the highest incomes will not feel the effects of the rapidly changing family structure as starkly. But for those born into the most disadvantaged families, the decline in the most stable form of relationship – marriage – will cause them to miss out on the many benefits this stability brings.

## Family Formation

Although data on marriage and cohabitation rates can provide some of the picture of family life across the country, the most fragile families are not visible in normal datasets.

In assessing cohabitation, it is difficult to measure the extent to which couples are breaking up and then re-partnering. One of the most damaging family structures for a child in terms of stability, is to have a primary care giver in a repeating cycle of introducing new parental figures into a child's life. This revolving door template of relationships is deeply damaging as the child begins to form an attachment with the new partner, which is then disrupted.

A US study has shown that child behavioural problems are known to intensify with each additional change in family structure a child experiences.<sup>687</sup> UK research using the Millennium Cohort Study found that 'mothers who re-partner are less likely to have a good relationship with their child, are less likely to engage in educational activities and are more likely to use negative discipline.'<sup>688</sup>

In addition, there is a growing gap between the number of children women report they want to have and the number of children they actually have.<sup>689</sup> A declining birthrate,<sup>690</sup> and the average age of a

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678 S. Worringer, Family Structure Still Matters, Centre for Social Justice, August 2020, p. 6

679 ONS, Percent of Children with a Mental Disorder by Marital Status and Age Group, England, 2017, March 2019

680 Z Wu, C Schimmele, F Ho, 'Family Structure, Academic Characteristics, and Postsecondary Education', April 2015, p. 206

681 S Erath and K Bierman, "Aggressive marital conflict, maternal harsh punishment, and child aggressive-disrupted behaviour: evidence for direct and mediated relations", *Journal of Family Psychology*, June 2006, pp. 217-226

682 Institute of Education, Millenium Cohort Study: Initial findings from the Age 11 survey, November 2014, p. 36

683 Department for Work and Pensions, Family Resources Survey 2017–2018, March 2019

684 Kiernan, K., Crossman, S. and Phimister, A. Families and inequalities, IFS Deaton Review of Inequalities, June 2022, p. 1

685 Centre for Social Justice, Family Structure Still Matters, August 2020, p. 6

686 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

687 Osborne, C., and McLanahan, S., "Partnership Instability and Child Wellbeing", *Journal of Marriage and Family*, 2007, pp. 1065–83 cited in: Waldfogel, J., Craigie, T., and Brooks-Gunn, J., "Fragile Families and Child Wellbeing", *The Future of Children*, 2010, pp. 87–122

688 Holmes, J., and Kiernan, K., *Fragile Families in the UK: Evidence from the Millennium Cohort Study*, University of York Draft Report, 2010

689 Policy Exchange, *Better Childcare, Putting Families First*, 2022, p. 24

690 Office for National Statistics, *Births in England and Wales: 2022*, August 2023

first-time mother rising from 27 in 2000 to 31 today, <sup>691</sup> suggest a consideration of the future may not only be that families are splitting apart, but that families are not forming in the first place.

## Family Life

### Parenting

All parents, no matter their relationship experience or family type, should feel equipped to parent with confidence. The overwhelming finding from the Commission's conversations with parents is that parenting is hard, can often be lonely (especially for mothers) and the emotional and financial pressures can be immense. 89 per cent of British adults say that improved parenting is important to addressing Britain's social problems, including 85 per cent of 18–24-year-olds. <sup>692</sup>

The COVID-19 pandemic placed additional strain on many parents who had to juggle working with supervising their children's education, in addition to supporting their children through a strange and difficult time. One Headteacher told the Commission, *"more and more parents are saying 'I just don't know what to do with my child.' You didn't get that before [the pandemic]."*

A supportive home environment can increase life chances for a child. High quality parenting substantially improves the odds of children that live in disadvantaged circumstances performing better at school. Amongst the poorest families, where children had high levels of positive parenting, 58 per cent had a good level of achievement in their first year at school compared with 19 per cent of those with low-quality parenting. <sup>693</sup> Just 6.8 per cent of children who were read to every day were found to have a vocabulary that put them in the bottom 10 per cent of their year group age 5, this rose to 21.2 per cent among children who had only been read to occasionally or not at all. <sup>694</sup>

The quality of parenting is also viewed as a contributor to the likelihood of children becoming involved in criminality. The Commission's polling found that both the general public and the most deprived groups identify lack of parental supervision and boundaries as the primary cause of juvenile criminality, ahead of no meaningful activities, police presence, recognition amongst peers and mental health. <sup>695</sup> Negative parenting, parental supervision and instability in the home forms one of the root causes of youth crime. <sup>696</sup>

Some parents feel undermined in providing the support and boundaries they would like to. One parent from South Shields told the Commission that he felt like his parental role was undermined after his daughter had involved both social services and her school after an argument with him. To be clear, the charity that supported the daughter, social services and the school, concluded there were no safeguarding concerns, but the way the situation was handled left the parent feeling that the school took the side of the daughter, against him, and that he was undermined, rather than supported in his role as father (and primary care giver). Another participant told the Commission: *"Parents feel like they aren't allowed to discipline now."* The charity supporting them corroborated this to the Commission: *"You hear this a lot you know – parents are disempowered from parenting...Kids will now threaten parents with calling social services...Parents give up and say what's the point."*

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691 Office for National Statistics, Birth Characteristics in England and Wales: 2021, January 2023

692 The Centre for Social Justice, Facing the Facts: Ethnicity and Disadvantage in Britain, November 2020, p. 49

693 Kiernan, K., Crossman, S., and Phimister, A., Families and Inequalities, IFS Deaton Review of Inequalities, June 2022

694 Ibid

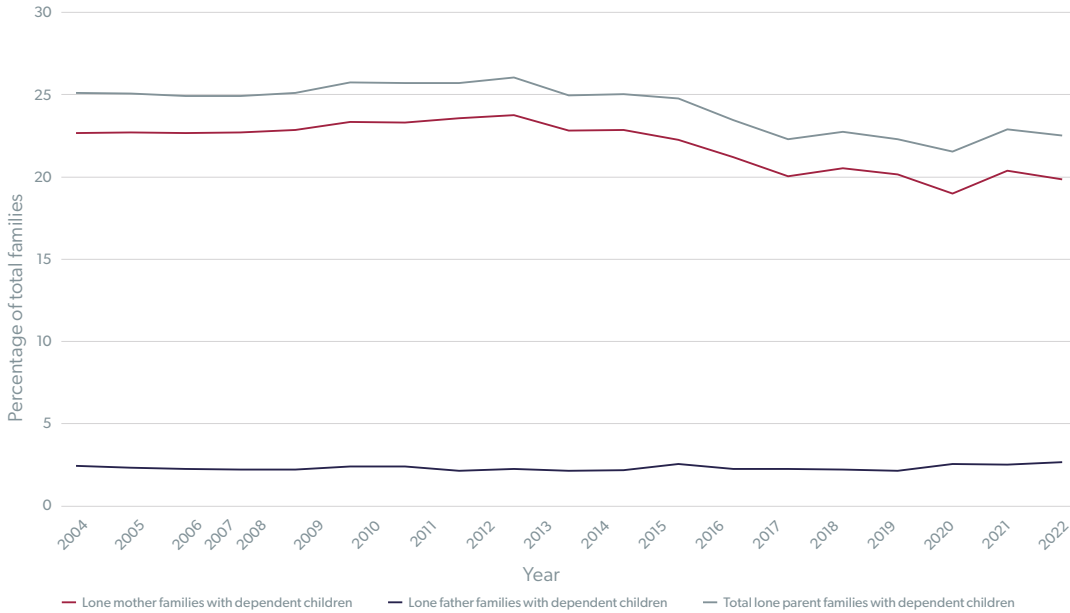
695 Original analysis conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

696 The Centre for Social Justice, Being Tough on The Causes Of Crime: Tackling Family Breakdown To Prevent Youth Crime, February 2007

# Fatherlessness

A common factor in many experiences of parental separation is father absence. When family breakdown occurs, it is nearly always the father who leaves the family home. Lone parent families headed up by a mother made up 84 per cent of lone parent families.<sup>697</sup>

Figure 5: Lone Parent Families with Dependent Children as a Percentage of All Families with Dependent Children, 2004 to 2022



Source: ONS, CSJ analysis of 'Families and households in the UK'

The Commission has estimated that some 2.6 million children do not have a father that lives in the home.<sup>698</sup> This number works out as 15.5 per cent of all dependent children.<sup>699</sup> This should be caveated with the fact that many children will not live with their biological father, but he will still be an active and present figure in their lives.

Fathers should not just be present, but also active. There is a recognised link between active father engagement and improved child outcomes, especially in educational achievement. Children with active fathers do better at school, have higher self-esteem and are less likely to be disruptive in adolescence.<sup>700</sup> In 2019, the CSJ found that just 50 per cent of the British public said that they regularly saw their father during childhood. Previous CSJ research has highlighted that as many as one in six children do not see their father at all,<sup>701</sup> whilst up to 40 per cent of non-resident parents have little or no meaningful contact with their child at all.<sup>702</sup> 71 per cent of British adults agree that the absence of fathers in families has a negative impact on children growing up in poverty.<sup>703</sup>

697 Office for National Statistics, Families and Households, May 2023  
 698 CSJ analysis of ONS Families and Households data: 3,033,000 million dependent children live in lone parent families with dependent children in the UK (2022), of which 84.5 per cent of families are lone mother families with dependent children.  
 699 CSJ analysis of ONS Families and Households Data (2022): 2.6 million estimated dependent children living in lone mother families.  
 700 Centre for Social Justice, The Forgotten Role of Families: Why It's Time to Find Our Voice on Strengthening Families, 2018, p. 6  
 701 Fatherhood Institute, Addressing Fatherlessness: How Government Can Strengthen the Active Presence Of Fathers In Their Children's Lives, in CSJ, Fractured Families, June 2013  
 702 ONS, Non-Resident Parental Contact, 2007/8: A Report on Research Using the National Statistics National Omnibus Survey Produced on Behalf Of The Ministry Of Justice And The Department For Children, Schools and Families, Omnibus Survey Report No. 38, 2008, in CSJ, Fractured Families, June 2013  
 703 CSJ, The Forgotten Role of Families: Why It's Time to Find Our Voice on Strengthening Families, 2017



This is corroborated by the frontline experience of CSJ Alliance award winning charity, Lads Need Dads. The University of West London and Lads Need Dads, in a survey of teaching and support staff, found that 89 per cent of teachers surveyed believed there was a link between boys having absent fathers and misbehaving at school. 68 per cent of teachers agreed there was a link between absent fathers and low educational attainment.<sup>704</sup>

*“A common factor throughout all social issues is family breakdown, but the father figure being absent is a major risk factor...boys are often the invisible service user, when it comes to young men, forget it, they just don't get a look in...males are vulnerable. Our prisons are full of men, our street homeless are predominately male, males are overwhelmingly over represented in suicide statistics. We need to really think about the treatment of young men to prevent them becoming adults that end up down these pathways.”*

**Sonia Shaljean, Managing Director of Lads Need Dads**

### **Case Study – Lads Need Dads**

The Commission first visited Lads Need Dads in May 2023. Lads Need Dads deliver one of the UK's only long-term early intervention group-work mentoring programmes specifically set up for boys with absent fathers, or those lacking a positive male role model in their life. Lads Need Dads recognise that boys with absent fathers need ongoing guidance and support throughout their teenage years, not just for a brief chapter of it. Lads Need Dads unique long-term approach means they help the development of young boys, many with adverse childhood experiences, into independent, well-rounded men of purpose, alongside supporting their mothers and carers and raising awareness about the impact of absent fathers on boys and young men to wider society.

This is Luke's story.

Luke was referred to Lad Need Dads when he was 12 years old. Now 17, he continues to benefit from their support. Luke presented as a very quiet and introverted young man, who was underperforming at school and lacked confidence. He was an only child raised by his single mother, she herself having never known her biological father. Luke has never had contact with his father, who had a complex history of drug misuse.

Luke progressed through the Lads Need Dads programme, where he learnt emotional literacy skills and insights into various issues that impact boys as they grow up. He was given opportunities to develop resilience and confidence through the many outdoor activities they provide. His motivation and self-esteem increased which impacted his attitude towards school and learning.

As Luke spent more time with Lads Need Dads, he was provided with opportunities to volunteer in his community and was taught numerous helpful practical life skills. He trained as a peer mentor in the latter part of the programme developing empathy and leadership skills.

704 Professor Hine, B., Shaljean, S., Shaljean, J., Teachers Experiences of The Impact Of Fatherlessness On Male Pupils, Lads Need Dads, November 2022

Luke passed all his GCSEs successfully this year. He is now studying A-Levels at college and has a part-time job which provides him with additional independence and experience of work. He's thinking about a career in the police.

This is what Luke's mother had to say about Lads Need Dads.

*"Luke is now someone who is highly self-aware and in tune with his emotions. He speaks confidently and openly about his feelings and beliefs. Though generally reserved, he has a strong sense of self-identity and unwavering convictions. Over time, his communication and social skills have developed significantly.*

*Lads Need Dads has made a significant difference in my son's life. Without them, I would have been lost. They have provided him with guidance, support, knowledge, empathy, and understanding. This organisation has empowered him to be the best he can be, giving him everything that one would wish for in a father figure and more. It has given me peace of mind and taken a lot of pressure and guilt away from myself.*

*Without Lads Need Dads I wouldn't like to speculate on what the future would have held for my son. I'm sure that he would have struggled socially and emotionally, and eventually become a mere shadow of the person he is today. He would have had no aspirations or goals to pursue, and his search for support and guidance could have led him down a negative path.*

*Lads Need Dads has been and will always be an integral part of my life and my son's life. They strive to provide the best individual support for every lad, and every stage of the programme is equally important. I am eternally grateful for the support they have provided us."*

## Parental Mental Health

Children's outcomes are also impacted by their parent's mental health and wellbeing. Researchers in the US have established a link between children whose parents suffer from depression and an increased risk of the child developing mental, behavioural, and social problems.<sup>705</sup> In the UK, the ONS revealed that 30 per cent of 11-16 year olds whose parents suffered from bad mental health showed poor mental health themselves, with only 11 per cent showing good mental health.<sup>706</sup> UK Government analysis published in 2023 showed that for the period 2019 to 2020 around one in three children lived with at least one parent reporting emotional distress.<sup>707</sup> Over half of children living with both parents out of work had at least one parent reporting symptoms of emotional distress.<sup>708</sup> Given the population-wide rise in mental health conditions following the COVID-19 pandemic, it is likely that rates of children living with parents in emotional distress has increased.

There is a strong socioeconomic gradient to mental health problems. The Mental Health Foundation has highlighted a growing body of evidence that shows that people living in the lowest 20 per cent income bracket are two to three times more likely to develop mental health problems than those in

705 National Research Council (US) and Institute of Medicine (US) Committee on Depression, Parenting Practices, and the Healthy Development of Children, *Depression in Parents, Parenting, and Children: Opportunities to Improve Identification, Treatment, and Prevention*, 2009

706 ONS, *Children Whose Families Struggle to Get on Are More Likely to Have Mental Disorders*, March 2019

707 Office for Health Improvement and Disparities, *Statistical Commentary: Children Living with Parents in Emotional Distress*, March 2022

708 Ibid

the highest.<sup>709</sup> It is the most disadvantaged children that have parents most likely to develop mental health disorders and for those issues to have a corresponding impact on their own mental health outcomes.

## Parental Conflict

Children who live in households marked by intense, frequent, and poorly resolved conflict, suffer worse outcomes than their counterparts across a range of areas. 12 per cent of children in couple-parent families live in a family where one adult has reported relationship distress.<sup>710</sup> At the Big Listen Midlands, one family support charity told the CSJ: *“Parents think they can hide conflict from children, but they can’t – even babies pick it up.”*

Addressing parental conflict and the quality of interparental relationships is a critical component of improving children’s outcomes. Limiting parenting interventions just to the parent-child relationship is, according to the Early Intervention Foundation, unlikely to be effective or improve outcomes for children.<sup>711</sup> The COVID-19 pandemic was a catalyst for parental conflict, both in the immediate aftermath of lockdown measures and in the longer term. The Commission has found that the scars of COVID-19 run deep in family relationships across the UK.

*“Well, I was in an abusive relationship...I got furloughed, and I found myself doing anything and everything. I spent the majority of the time actually in the garden until early hours of the morning because I didn’t want to be in the house.”*

**Service User, Family Gateway, North Tyneside**

*“It was hard to do anything because you’re so used to home being your home and school being school, and you’re so used to home being your rest...Home became a prison.”*

**Service User, Family Gateway, Newcastle**

In 2020, the Early Intervention Foundation surveyed 42 local authorities and 13 designers of interventions that support parents to understand the immediate impact of the COVID-19 pandemic, 74 per cent of local authorities believed parental conflict increased since the onset of lockdown. 37 per cent said that referrals to parental conflict support had increased.<sup>712</sup>

709 Mental Health Foundation, Poverty: Statistics, n.d

710 Department for Work & Pensions, Parental Conflict Indicator 2011 to 2020, 25 March 2022

711 Early Intervention Foundation, Why Does Reducing the Impact of Parental Conflict Matter?, March 2023

712 Ghiara, V., Responding to The Rise in Parental Conflict During Lockdown, September 2020

## Childcare

Another key factor contributing to the difficulty of parenting is the cost of childcare. The model of childcare provision in the UK is substantially reliant on Government subsidy. Parents who work more than 16 hours a week and earn less than £100,000 are entitled to 30 hours a week of free childcare for children aged three to four. This provision is being expanded to all children over the age of nine months. For UC claimants, up to 85 per cent of childcare costs can be claimed back.<sup>713</sup>

In the 2023 Autumn Statement, the Government announced the expansion of free childcare entitlement to children aged two and under, due to be phased in from April 2024. Total investment in childcare will double to around £8bn under current plans.<sup>714</sup> Under this expansion, the IFS found that the Government will be setting the price for 80 per cent of all pre-school childcare in England.<sup>715</sup> This is done through the funding rates per hour for nurseries. The model of childcare is focused on encouraging high numbers of parents into work, but the Commission has found that this is not what all parents want.

Speaking to the Commission, a mother of five in the North East said:

*“We’ve talked about a lot of things but if we could take childcare – a lot of the childcare payments that parents are entitled to or try to claim is for paid for childcare providers. Whereas a lot of childcare goes on hidden, a lot of grandparents look after children overnight so the parents can work, a lot of neighbours or friends kind of work childcare out between them so they can all work or they can all go shopping or they can all go out for the evening. And none of that’s paid for. So, I think childcare that’s just one example, childcare could be better looked after. If there was a kind of like, understanding that, you know, it needs to be paid for and the parent need to be able to decide how that childcare is distributed. But the government seem to think unless it’s a proper childcare provider, it doesn’t happen.” {sic}*

The viewpoint that childcare support needs to be more flexible and take into account the views and preferences of parents has been corroborated by CSJ polling. This found that 78 per cent of parents with children aged zero to four agreed that they would like to spend more time with their child but cannot afford to. 49 per cent agreed that it has become harder to raise a family with younger children at home over the last decade. Over half, (58 per cent) agreed that we need to help new parents spend several months at home with their new baby, compared to 22 per cent who thought returning to work quickly should be the priority. If finances were not an issue, 49 per cent of parents of children aged zero to four said they would prefer for themselves or their partner to take care of their child on their own, whereas only 19 per cent of parents currently do so.<sup>716</sup>

The way in which the UK’s childcare system is structured disadvantages poorer families. Recent CSJ analysis found that lower socio-economic groups were the cohort that were least likely to use additional childcare.<sup>717</sup> 22 per cent of parents in social group AB used childminders compared to 12 per cent of parents in the C1 social group and 14 per cent of parents in the C2 social group. Groups C1 (47 per cent) and C2 (58 per cent) also expressed a stronger preference for themselves or their partner to provide additional childcare. Parents providing additional care themselves was the most popular across all socio-economic groups. There is a clear preference from those in lower

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713 Department for Education, The Education Hub, Budget 2023: Everything You Need to Know About Childcare Support, 16 March 2023

714 Department for Education, The Education Hub., Free Childcare: How We Are Tackling the Cost of Childcare, 7 July 2023

715 IFS, Childcare Reforms Create a New Branch of The Welfare State – But Also Huge Risks To The Market, 15 March 2023

716 CSJ, Parents Know Best, October 2022, p. 5

717 Ibid

socioeconomic groups for childcare to be provided for their children outside of the professional childcare sector.<sup>718</sup>

Among OECD countries, UK families spend some of the highest proportions of their incomes – 22 per cent - on childcare. This is double the average for comparative western economies.<sup>719</sup> High costs are exacerbated by the absence of a household taxation option, with the UK being an outlier in that it does not provide families with a joint taxation option, opening UK families up to very high levels of marginal tax rates when childcare is included.

Couples where only one partner earns are penalized within the system, as individuals are only allowed to transfer 10 per cent of their personal tax allowance to their spouse or civil partner, with a maximum saving of £252 per year. This saving is also only available where the earning partner is a lower rate taxpayer. Although couples may pool their resources in all other aspects of life, they do not have the option to pool their income for tax purposes.

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In Germany spouses can choose to be taxed as individuals or as a household, and the vast majority opt for joint assessment.

In France, families are always taxed as households with a variety of additional support available for couples with children, including a shared allowance to allow one parent to reduce their working hours to care for children under 3, up to a maximum value of £400.39 per month.

In the United States, families have a range of options for income taxation. Married couples can choose to file jointly on their combined income or file separately for each spouse. The OECD commented that this system means “married couples generally benefit from more favourable schedule of tax rates”.

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Source: OECD, *Taxing Wages: The Taxation of Median Wage Earners*, 2017-18

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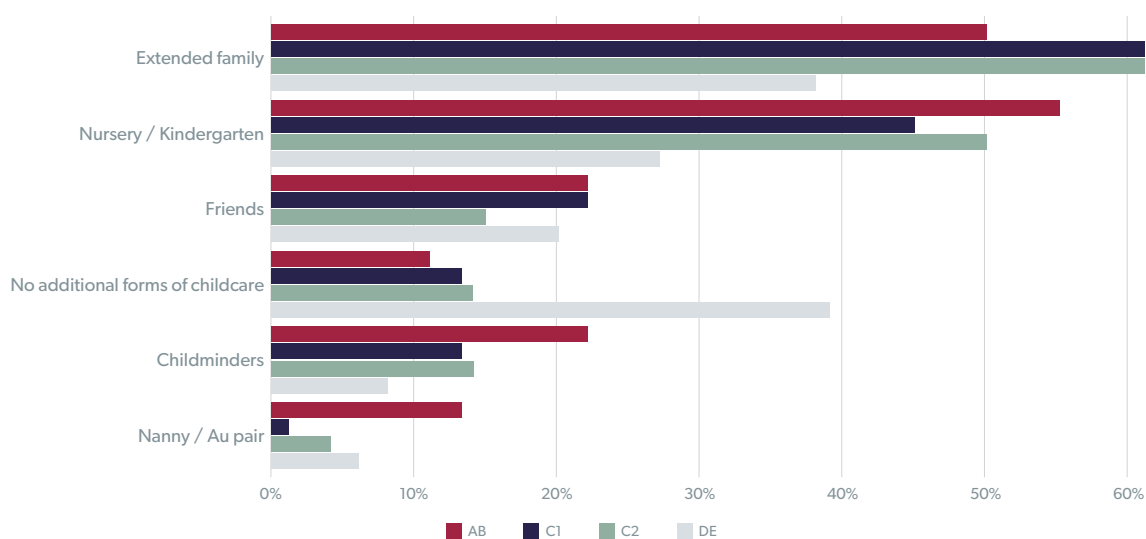
718 Ibid, p.6

719 Ibid, p.3

## Extended Family Networks

For many families, extended family networks play a vital part in day-to-day life. A third of the population (34 per cent) are living in a multi-generational household, equivalent to more than 9 million homes.<sup>720</sup> This is mainly due to adult children living with their parents. Older relatives living in the home account for 14 per cent of multi-generational set-ups, up from 9 per cent in 2016.<sup>721</sup> There is evidence to show that extended family networks play a more important part in the lives of the most disadvantaged. CSJ polling found that 61 per cent of parents in social grade C1 and C2 used extended family as their most common form of childcare, compared to 52 per cent for all parents, as shown in Figure 6.<sup>722</sup>

Figure 6: Other than the care you provide for your child, which of the following other forms of childcare do you use? Select all that apply (Parents 0-4 year olds)



Source: The Centre for Social Justice, *Parents Know Best*, October 2022

Despite the popularity of using extended family for childcare purposes, in 2023, parents are more likely to live further away from extended family networks than 20 years ago. Since 2001, the proportion of settled adults (aged 31 to 54) living within 15 minutes of a parent has fallen from 39 per cent to 36 per cent.<sup>723</sup>

However, there is a regional variation in the proportion of parents living close to extended family relations. A settled adult in the North East, an area of higher deprivation compared to the national average, is three times as likely to live within 15 minutes of their mother than a settled adult in London. Over half of settled graduates (aged 31 to 54) live more than half an hour away from a parent, compared to just one-third of those whose highest qualification is an A-Level or GCSE.<sup>724</sup>

720 Aviva, 1 In 3 Homes Are Multi-Generational, 11 September 2020

721 Ibid

722 CSJ, *Parents Know Best*, October 2022

723 Onward, *The Good Life*, March 2022, p.7

724 Ibid

## Challenges Facing Families

*“In order to thrive, every child needs love, safety and nurture. The key factor, when living away from our own culture, is that we be supported to explore who we are without fear, judgment or the dogma of other people. What matters too is that someone loves us as we are and doesn’t try to create us in their own image.”*

Care Experienced Young Person

Most families seek to provide their children with love and safety and many draw on wider family networks, community groups, friends and neighbours to help with this. Family life is not always easy or smooth, and this is particularly the case when parents are facing their own challenges of mental ill health, substance misuse or addiction, abusive relationships or insecure housing or work. In some circumstances families may need external professional support in order to provide safety or security through the involvement of children’s social care. In some circumstances where it is not safe or appropriate for children to remain either temporarily or permanently with their biological parents, or wider family network, children are removed and placed into the care of the local authority.

These children are often referred to as a Child in Need. A child is defined as a Child in Need, under the Children Act 1989, if they are unlikely to achieve a reasonable standard of health or development, or their health and development is likely to be significantly impaired without the provision of services by a local authority, or if they are disabled. Within this broader category, there are children on child protection plans (CPP) and looked after children (LAC [children in care]). Within the Children in Need category are unaccompanied asylum-seeking children who are asylum seekers aged under 18 who are in receipt of children’s services from a local authority.

Population growth and an increase in the number of unaccompanied asylum-seeking children explains 56 per cent of the increase in looked-after children since 2013.<sup>725</sup> However, there have been increases that are above the expected level even after accounting for population growth and these have been in the most serious categories. Particularly in child protection investigations, but also in CPP and CLA. One analysis has shown a significant growth over the past two decades in the number of child protection plans among children under 1 years old.<sup>726</sup>

Children from families in the bottom quintile of incomes are more likely to have experience of the care system. Children in the highest earning fifth of families are between 81 per cent and 89 per cent less likely to experience a social care intervention compared to children in the lowest earning fifth of families.<sup>727</sup> Children in the lowest household income quintiles have the highest predicted probabilities (predicted probabilities range from 0 to 1, with 1 indicating very high likelihood that the event will occur and 0 indicating very low likelihood) which reduces for every increase in income quintile.<sup>728</sup> For example, the probability of a child on a protection plan in the lowest income group entering care is 0.47 per cent. For children in the middle income bracket it reduces to 0.23 per cent and for children with the highest household income it is substantially lower still, at 0.05 per cent.<sup>729</sup> There is also

725 Department for Education, Drivers of Activity in Children’s Social Care, May 2022, p. 7

726 Degli Esposti, M. et al. Long-Term Trends in Child Maltreatment in England and Wales, 1858–2016: An Observational, Time-Series Analysis, *The Lancet Public Health*, 4(3), May 2022, pp. 148–158

727 Department for Education, Drivers of Activity in Children’s Social Care, May 2022, p. 8

728 *Ibid*, p. 56

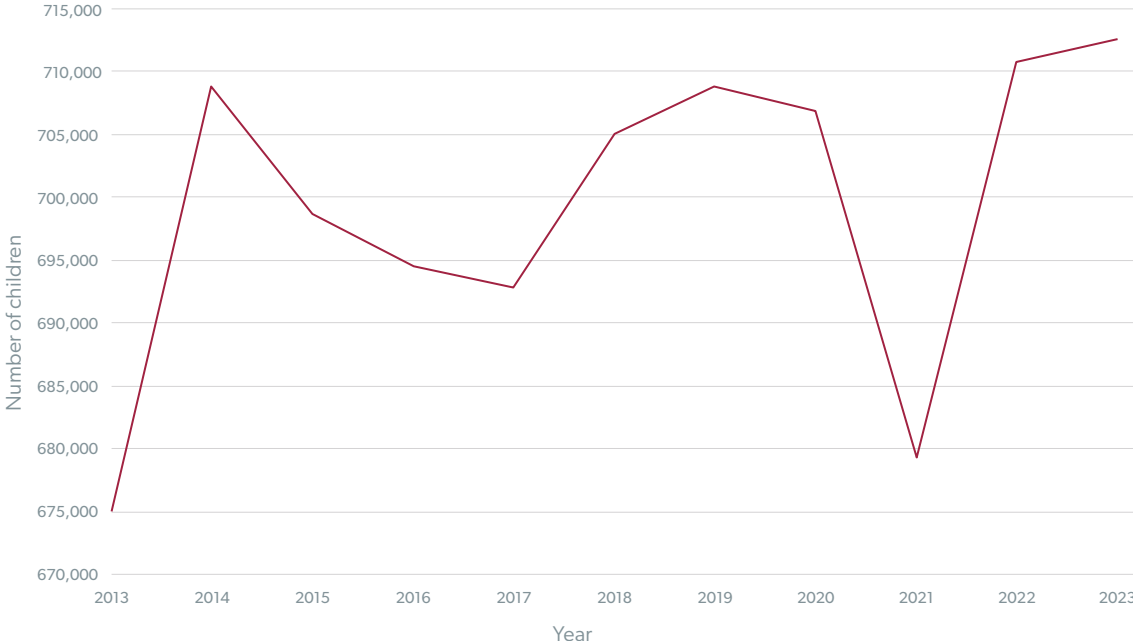
729 *Ibid*, p. 56

geographical variation. Nearly three quarters (71 per cent) of the increase in LAC between 2013-2021 occurred in a fifth of local authorities.<sup>730</sup>

In 2022/23, there were 640,430 referrals to children’s social care, down 1.5 per cent from 2021/22. This follows an increase of 8.8 per cent from the year before when restrictions on school attendance were in place due to the COVID-19 pandemic. The figure in 2022 was the highest number since 2018. Over the past eight years, over one in seven children have been classed in the Child in Need category at least once and 1 in 52 children were looked after at least once.<sup>731</sup>

The number of children in need at any point in the year has risen in recent years, dropping to a historic low during the COVID-19 pandemic, before rising sharply to 712,650 in 2023, as per Figure 7.

Figure 7: Children In Need at any Point in the Year, England 2013 to 2023



Source: Department for Education, CSJ analysis of ‘Children in need dataset’

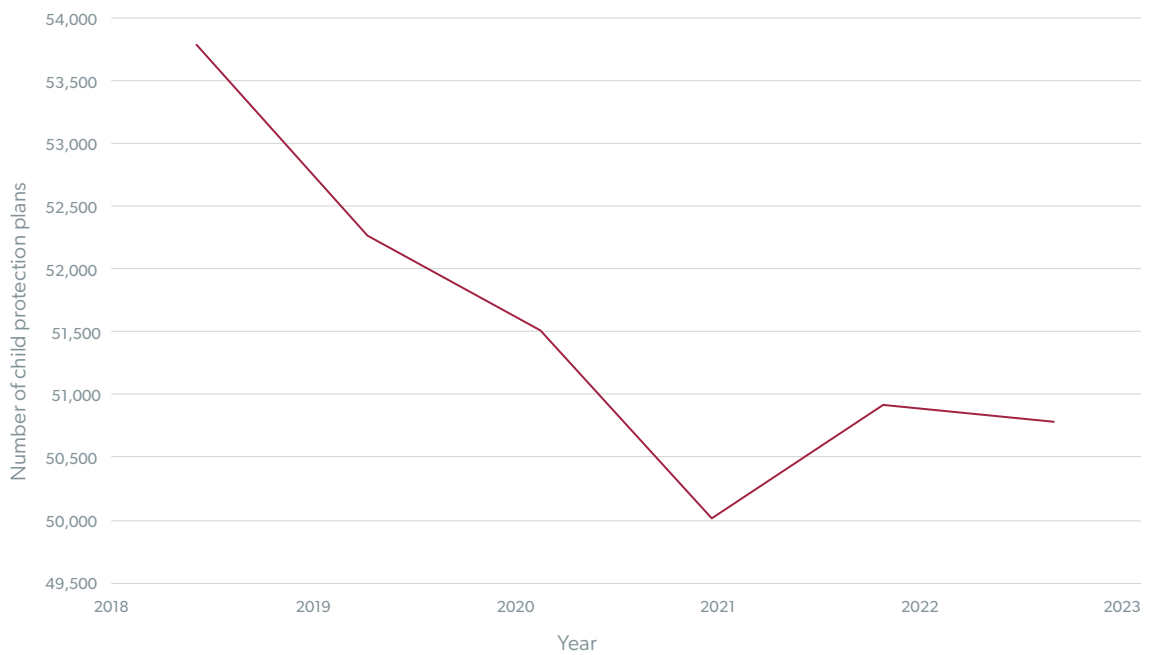
The number of children with child protection plans fell to 50,010 in 2021 from 53,790 in 2018, before rising again to 50,920 in 2022. It has since levelled out at 50,780 in 2022/23, as shown in Figure 8.

730 Ibid, p. 7

731 Department for Education, Drivers of Activity in Children’s Social Care, May 2022, p. 7



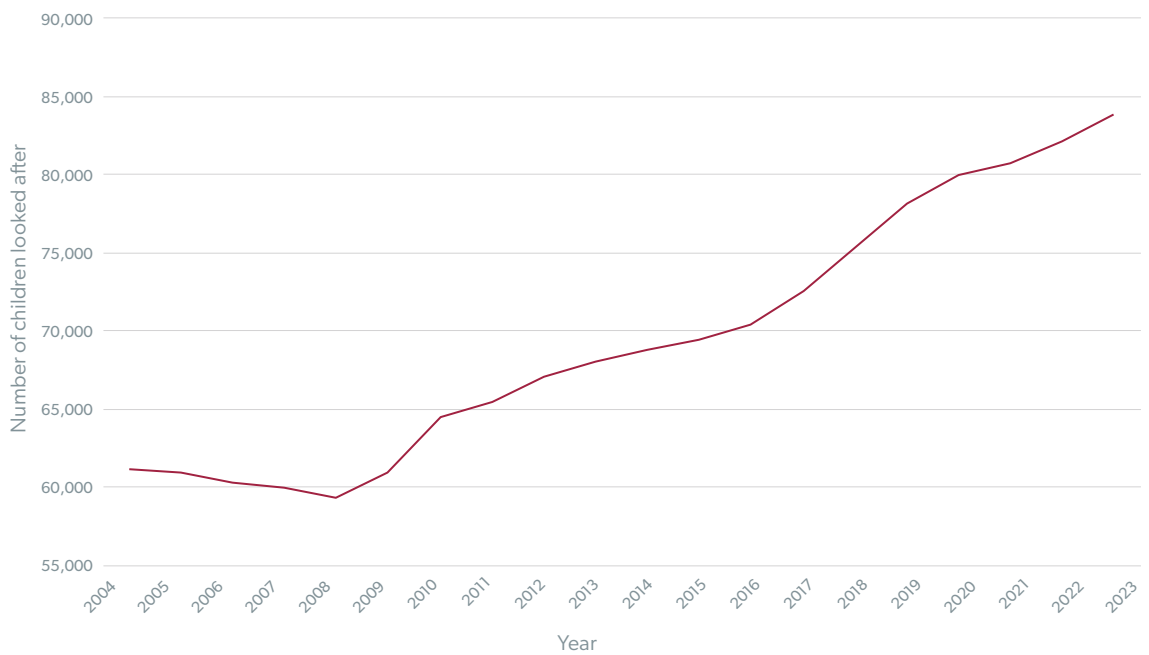
Figure 8: Child Protection Plans, England, 2018 to 2023



Source: Department for Education, CSJ analysis of 'Children in need dataset'

The last nationwide number for the number LAC, which includes children who are adopted, was 83,840, an increase of 2 per cent on the previous year. This continues a rising trend from 2008, when the figure was 59,370, as per Figure 9.

Figure 9: Looked After Children, England, 2004-2023



Source: Department for Education, CSJ analysis of 'Children looked after in England including adoptions data'

Analysis of data from 2019/20 showed that almost half of children who became looked after in 2019/20 (43 per cent) had previously had at least one episode of being a Child in Need, indicating that while children are being flagged to the social care system, interventions are often not preventing the situation from worsening.<sup>732</sup> A small proportion of families are overrepresented in the care system, with over 11,000 women having more than one child removed between 2007 and 2014.<sup>733</sup>

### **Case Study: Care Experienced Young Person Case Study**

When I was 11 years old, I was taken away in the back of a police car and delivered to a building with tall, imposing gates. This was a Glasgow children's home, billed as a 'therapeutic environment' for vulnerable young people.

Locals resented our children's home. They'd placed a sign protesting the building's existence right by the gates. As far as they were concerned, the children who called this facility home were young thugs hellbent on intimidating their neighbours. We were criminals who were fire-raising and house-breaking in between committing all manner of sexual offences.

They came to this conclusion as a result of the world portrayed to them by a popular newspaper of the time. Every single bit of it was false and not based on any real understanding of what was going on in the world around me.

I was a sad young boy. I was taken away from my family not because I was a criminal or a trouble-maker or 'difficult', but because of a mental health crisis in the family. A mental health crisis that had resulted from years of poverty and a lack of support beyond sticking plaster efforts to get us over to the next crisis. Years of domestic violence perpetrated by my Father against my Mother exacerbated the crisis. If only we had received some form of support early on, perhaps the violence would have stopped, and we the children would not have been traumatised.

Instead, I was removed from the family home, separated from my four siblings and deposited with strangers, many of whom had been deposited there through similar circumstances. I was ferried to and from school in a taxi, and the only friends I had in my placement didn't stay for long...

We were young, alone and frightened. Yet people were afraid of us. The campaign to shut the home down succeeded after nine years, in no small part thanks to a cross-party effort from politicians across the spectrum. It's nice when people can set aside their differences to take on 11-year-olds!

I know that the moment I tell someone I spent time in care, every single stereotype and terrible narrative will come flooding into their mind and it'll allow them, whether they realise it or not, to judge me.

As a society, we tell ourselves to 'be kind' and be 'trauma aware'; but all these years later, I don't doubt for a second that, given the opportunity to back an ill-conceived 'community protest' against a children's home, people from across the country would fall over themselves to sign up...

732 Ibid, p8

733 Nuffield Foundation, Study Reveals Link Between Childhood in Care And Mums Who Have Babies Removed By Courts, 3 October 2017

The best place for children is almost always the birth family. We should be spending our money, time and resources on keeping families together wherever possible. We could start investing in supports they need – financial but also emotional – everything from parenting classes and networks to building good relationships with social workers and the local community.

I look to my friends who grew up with relatives and know that they felt loved. Whether through the simple fact that they were told so or shown physical affection like hugs and kisses. They didn't have to navigate formal processes where they asked to be heard and would be judged by someone putting a degree to use.

We know as a society the cost of growing up without love.

## Siblings

For young people with experience in and around the care system, the relationship with a sibling can be a stabilising presence. Nearly half (45 per cent) of sibling groups in care are split up, according to nearly 150 Freedom of Information requests sent by the BBC to UK councils.<sup>734</sup> This was the first time this information has been collected. Of sibling groups who were split up 39 per cent were split between two different local authorities and two per cent were split between three or more different local authorities.<sup>735</sup>

## Placements

Once within the system, children can experience multiple placements, with each placement meaning a change of home, routine and relationship with a trusted care giver and potentially also a new school and foster-siblings. For children whose lives have already been upended by the severing of their relationship with their first primary care giver, this can be very destabilising and traumatic. 4,300 Looked After Children are moved school in the middle of the academic year to a school an average of 24 miles away. Often these moves severely disrupt their education. Around 400 children who moved school ended up missing a whole academic term as a result.<sup>736</sup>

## Age

The average age of children being taken into care has risen. ONS analysis from 2022 of 3.8 million children found that the average age of a child entered local authority care between 2011 and 2015 was age 14. Those aged over ten now make up the majority. 39 per cent of children in care are aged ten to fifteen years and 25 per cent aged 16 and over.<sup>737</sup> Some of these children are housed in 'supported lodgings' which provide young people with a place to acquire emotional and practical support and develop skills for adulthood.<sup>738</sup>

734 BBC News, I Grew Up in Care Alone – Why Did No-One Tell Me I Had Siblings?, 26 January 2022

735 Children's Commissioner, Siblings in Care, January 2023

736 Busby, E., Thousands of Children in Care Face Multiple Moves Making Them More Vulnerable, Report Says, 1 June 2018

737 Home for Good, National Statistics for Fostering and Adoption Statistics, January 2023

738 Home for Good, Brimming with Potential: The Case for Supported Lodgings, November 2021

## Adoption

Some children find a permanent, new legal family by being adopted, but the chances greatly decrease after a child turns four. Government analysis from 2020 found that while one to four year olds make up 16 per cent of all children who were looked-after, they make up 77 per cent of looked-after children who were adopted. Similarly, white one to four year olds make up 12 per cent of all looked-after children but 63 per cent of looked-after children who were adopted. Black children were more likely to be looked-after (seven per cent) and less likely to be adopted (two per cent) when compared with their share of the under-18-year-old population (five per cent).<sup>739</sup>

## Outcomes for Care Experienced Children

Outcomes for children who are care experienced remain sobering, emphasising the importance of improving the support and care that is provided. 33 per cent of children with a history of any form of social care in the last three years of primary school faced exclusions during their time at secondary school. Around 40 per cent of children who either had a child protection plan or were looked after in state care were excluded at least once from secondary school.<sup>740</sup> On average, children who are in care or are known to social services are two to three times as likely to be excluded as those who are not.<sup>741</sup> However, absence statistics paint a more nuanced picture. In 2021/22, LAC in the last 12 months had an average persistent absence rate of 19.1 per cent.<sup>742</sup> This compares more favourably to the 22.5 per cent average for all pupils.<sup>743</sup> The Children's Commissioner attributes this to the success of Virtual School Heads who promote the education of CLA.<sup>744</sup>

More than half (52 per cent) of Children Looked After by Local Authorities had a criminal conviction by age 24, compared to 13 per cent of children who had not been in care, though this metric includes minor offences such as speeding and graffiti. While approximately one per cent of the general population are care experienced, for the female prison population this thought to be around 31 per cent.<sup>745</sup>

## Domestic Abuse

The Commission learnt of the extent that domestic abuse continues to blight people's lives. The Crime Survey for England and Wales estimates that 2.1 million people aged 16 or over experienced domestic abuse in the year ending March 2023, equating to 4.4 per cent of the population.<sup>746</sup>

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739 Department for Education, *Adopted and Looked After Children*, 12 June 2023

740 *The Mirror*, *Third of Kids in Care System Between 8 And 11 Were Excluded from Secondary School*, 27 July 2023

741 Education Policy Institute, *Why Are So Many Vulnerable Children Excluded from School?*, 14 May 2017

742 [Gov.uk](https://www.gov.uk), *Outcomes for Children in Need, Including Children Looked After by Local Authorities in England*, Educational Statistics, 30 March 2023

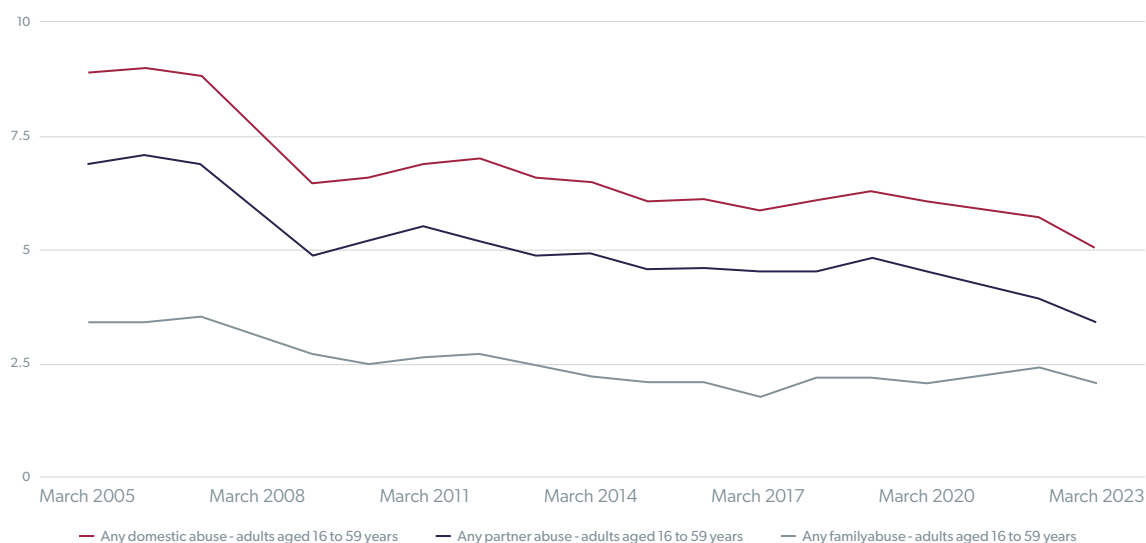
743 Children's Commissioner, *New Attendance Figures for Academic Year 2021/22*, 16 March 2023

744 Children's Commissioner, *Identifying the Looked After Children Missing from Education*, 28 September 2022

745 Ministry of Justice, *Prisoners Childhood and Family Backgrounds: Results from The Surveying Prisoner Crime Reduction (SPCR) Longitudinal Cohort Study of Prisoners*, March 2012, p. 8

746 ONS, *Domestic Abuse in England and Wales Overview: November 2023*, 24 November 2023

Figure 10: Domestic Abuse Trend, England and Wales, 2005 to 2023



Source: Office for National Statistics, Domestic abuse in England and Wales overview: November 2023

The ONS estimates that 9.8 million people aged 16 and over have experienced domestic abuse over their lifetime. This equates to one in five of the population. The COVID-19 pandemic increased the incidents of domestic abuse being reported. Survivors reported that restrictions gave perpetrators new ways to control and intimidate their victims.<sup>747</sup> Women's Aid found domestic abuse has worsened during the COVID-19 pandemic: after the lockdown, in March 2020, there was a 65 per cent increase in calls to the national Domestic Abuse helpline.<sup>748</sup> Calls to another domestic abuse helpline rose 700 per cent.<sup>749</sup> Between April and December 2020, the average daily calls to the NSPCC more than doubled, reflecting the huge increase in the number of children affected.<sup>750</sup> Sadly, between 23 March and 12 April 2020, there were 14 domestic abuse killings of women and two of children.<sup>751</sup>

Domestic abuse has far-reaching consequences beyond the men, women and children who are directly involved. In particular there is clear overlap between domestic abuse in the home and the involvement of social services. 45 per cent of all assessments by children's social care of children aged one cite domestic abuse as a factor.<sup>752</sup> Perpetrators, survivors and their children are more likely to experience homelessness and debt. They are likely to need intensive and expensive interventions, including mental health services,<sup>753</sup> A&E,<sup>754</sup> youth offending institutions, and prisons. Based on an assumed average number of police call outs, A&E attendances and GP support, the estimated direct public costs of high-risk domestic abuse is in the region of £2.4 billion per year.<sup>755</sup>

747 Judicial College, Equal Treatment Bench Book: February 2021 edition, April 2023,

748 House of Commons Library, Domestic Abuse and Covid-19: A Year into the Pandemic, 11 May 2021

749 Refuge, Refuge's National Domestic Abuse Helpline Service Review 2020/21. Accessed: [refuge.org.uk/wp-content/uploads/2021/03/Refuge-Covid-Service-Report.pdf](https://refuge.org.uk/wp-content/uploads/2021/03/Refuge-Covid-Service-Report.pdf)

750 NSPCC, Calls to NSPCC about Children Living in Violent Homes Rise by over 50 per cent as We Urge Government to Support All Children, January 25 2021

751 Judicial College, Equal Treatment Bench Book: February 2021 Edition, April 2023, p. 176

752 Department for Education, Drivers of Activity in Children's Social Care, p. 8

753 Diana Barran et al., "A Cry for Health Why We Must Invest in Domestic Abuse Services in Hospitals", 2016, pp. 1-172

754 Ibid

755 Co-Ordinated Action Against Domestic Abuse, Saving Lives, Saving Money: MARACs and High-Risk Domestic Abuse, 2010, pp. 1-12



# **A CHALLENGING START**

# A Challenging Start

## 21st Century Childhood

A country is as strong as its future, and our future rests squarely on the shoulders of our children. Children for the most part are resilient, adaptable and can overcome all manner of obstacles, but there is a general consensus that growing up in 21st Century Britain is hard.

The Commission has travelled the country, speaking to people from all demographics and found that matters concerning childhood largely included the rise of mental health, the impact of the COVID-19 pandemic and the influence of the internet and social media. We were informed that issues around education included the impact of school closures as a result of the COVID-19 pandemic and challenges facing children with special educational needs (SEN). The Commission polling found that only 21 per cent of those from the general public and 19 per cent of those from the most deprived groups rated lack of education in the top 5 most important causes of poverty.<sup>756</sup> For this reason, this chapter does not delve acutely into education as an obstacle to the best start for children, although challenges facing schools, including increasing pressure to deliver holistic support and the challenge of school absence will be discussed.

Amongst children and young people, mental ill-health diagnoses are ballooning, resilience is shot, aspiration is low and fears about the future are growing. 21st Century children have the added pressure of having to navigate the online world from an early age. They are exposed to pornography at an average age of 13,<sup>757</sup> spend 52 per cent more time in front of a screen per day than before the pandemic,<sup>758</sup> and do 32 per cent less moderate to vigorous physical activity.<sup>759</sup> Growing up has never had more challenges.

A defining feature for children and young people today is that they experienced childhood and adolescence through the COVID-19 pandemic. Non-pharmaceutical interventions throughout the COVID-19 pandemic, also known as lockdowns and restrictions, impacted children and young people more than any age group, except perhaps the elderly. Many children coped remarkably well with the huge changes brought in overnight by the COVID-19 pandemic lockdowns, some making significant sacrifices for the sake of the elderly and vulnerable, despite having a low chance of severe illness or fatality from COVID-19 themselves.<sup>760</sup> However, as their worlds shrunk to their homes, it became clear that for many children their homes were at best not the ideal place for education or development, and at worst, were not safe or secure.

The Social Justice Commission has met with some of the most disadvantaged children and parents and heard about the 'pressure cooker' impact of the pandemic. Existing challenges were exacerbated

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<sup>756</sup> Original polling conducted by JL Partners for The Centre for Social Justice (CSJ) of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

<sup>757</sup> Office of the Children's Commission (OCC), 'A Lot of it is Actually Just Abuse' - Young People and Pornography, January 2023, p. 16

<sup>758</sup> JAMA Paediatrics, Global Changes in Child and Adolescent Screen Time During the COVID-19 Pandemic, November 2022

<sup>759</sup> Ibid

<sup>760</sup> UCL News, Covid-19: Risks of Severe Illness in Children Shown to be Very Low, July 2021

and children from the most disadvantaged families and those in the most vulnerable situations felt the impact of successive lockdown restrictions most sharply. Children who had previously been struggling living in small living spaces with no privacy had this experience intensified when schools shut, and they had to study from home. Those living in households marked by conflict or violence had no escape. Those who lived with abusive parents or guardians had limited avenues for raising the alarm. However, for some the experience was more positive,, those who found school challenging or caused them social anxiety, the ability to be educated from home was seen as a positive change, even if just for the short term.

All children were impacted by the COVID-19 pandemic. Even those who enjoyed extended time with family members lost out extensively on social opportunities and education, but for others, the COVID-19 pandemic was a dark period, which casts a long shadow. The intense disadvantage suffered by many children, especially the most vulnerable, cannot be underestimated. The full effects of lost education, isolation, reduced social interaction, no let up from parental conflict or domestic abuse, and the lack of avenues to report neglect have caused a new wave of harm, with these children and young people progressing through school and college and soon into work without much recompense. The lockdown generation are growing up and the harms and damage may take years, even decades to come to the surface.

Some cracks are already showing. Children born in the first few weeks of lockdown, who spent their first months of life with only their parents for company, will be starting school next year. Just under half (46 per cent) of those who started school in 2022 (and who spent their formative years in lockdown) were believed to be 'school ready' by teachers.<sup>761</sup> Teenagers who sat final school exams had not sat public exams since SATs. A whole cohort of children have passed through the school system who had both their GCSEs and A-levels disrupted and relied on Teacher Assessed Grades to decide their post-school future. Those pursuing non-academic pathways also experienced noticeable disruption. During the first year of the COVID-19 pandemic, starts to apprenticeships reduced by 80 per cent.<sup>762</sup>

When assessing the impact of the COVID-19 pandemic on the nation, its long-term impact on our children is where its damage can be seen most starkly. Unless there is a serious reckoning to address the impact of the COVID-19 pandemic, the COVID generation will make their way through life, carrying these deep scars, which will impact their wellbeing, their mental health, their aspirations, their work, and their own future children. Central to understanding how we recompense children and young people is a thorough understanding of how the COVID-19 pandemic exacerbated challenges already being faced by the most disadvantaged, which will be looked at in turn.

## A Worrying Trend – Rising Numbers of Young People with Mental Ill Health

Over the past two decades, the number of young people diagnosed with, or reporting a mental health problem, has been on the rise. Two decades ago, in 2004, just under one in ten five to fifteen year olds were assessed as having a clinically recognisable mental health problem.<sup>763</sup> Emotional disorders, such as anxiety, depression and OCD have been steadily rising in children aged five to fifteen.<sup>764</sup>

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761 YouGov, 2022 School Readiness Survey, January 2023, p. 3

762 FE Week, Revealed: Covid-19 Hit to Apprenticeship Starts, May 2020

763 Green et al., Mental Health of Children and Young People in Great Britain, 2005, p. 2

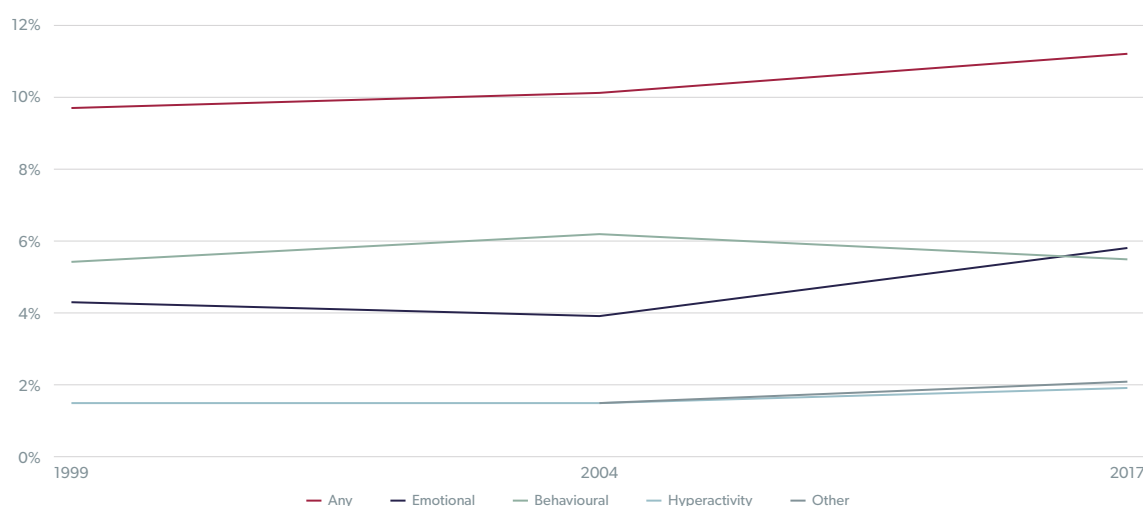
764 Royal College of Paediatrics and Child Health (RCPCH), Prevalence of Mental Health Conditions, March 2020



In 2017, the BMA estimated that around one in nine seven to sixteen year olds experienced a mental health problem, by 2022 this had risen to one in six.<sup>765</sup> For young people between the ages of 17 and 19, this figure is just under one in four.<sup>766</sup> In November 2022, the COVID Social Mobility and Opportunities study found that 44 per cent of young people in a cohort study of 13,000 reported elevated psychological distress in the pandemic.<sup>767</sup> In 2022, one in eight children were unhappy with school,<sup>768</sup> with average happiness amongst children aged 10-15 declining over the last decade.<sup>769</sup>

For adolescents being assessed by children’s social care, children’s mental health is the most common factor cited, reported in 27 per cent of assessments for 17-year-olds.<sup>770</sup> Figure 1 shows the trends in mental disorder and subcategories of disorder from 1999 to 2017. Emotional disorders, which include anxiety, depression and other psychotic problems, saw the largest increase out of all the subcategories.

*Figure 1: Trends in Mental Disorder and Subcategories of Disorder in England, 5 to 15 year olds, 1999 to 2017*



Source: NHS Digital, CSJ analysis of Mental Health of Children and Young People in England, 2017

The impact of the COVID-19 pandemic on young adults has been hugely significant, with 17 to 19 year olds with a probable mental disorder increasing by 45 per cent from 2020 to 2022, as per Figure 2. There has been a decline in the prevalence of mental disorder amongst this age category from 2022 to 2023, but 16 to 17 year olds remain the most affected age cohort by mental health disorders, from being the least affected in 2017, as shown in Figure 2. Probable mental disorder in 11 to 16 year olds and eight to sixteen year olds continue to be on the rise post COVID-19 pandemic with 22.6 per cent and 20.3 per cent effected by mental ill health in 2023.

765 Newlove-Delgado et al., Mental Health of Children and Young People in England, 2022 - Wave 3 Follow Up to the 2017 Survey, NHS Digital, November 2022, p. 2

766 NHS Digital, Mental Health of Children and Young People in England 2022, November 2022, p. 2

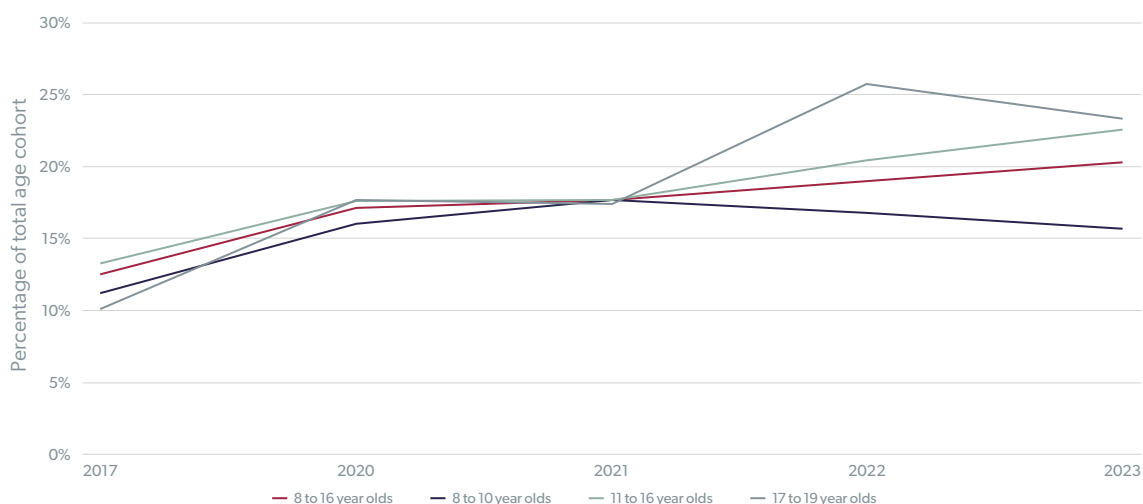
767 UCL and The Sutton Trust, Wave 1 - Initial Findings - Briefing Number 4. Mental Health and Wellbeing, November 2022, p. 2

768 The Children’s Society, Good Childhood Report, September 2022, p. 44

769 Ibid, p. 21

770 Department For Education, Drivers of Activity in Children’s Social Care, May 2022

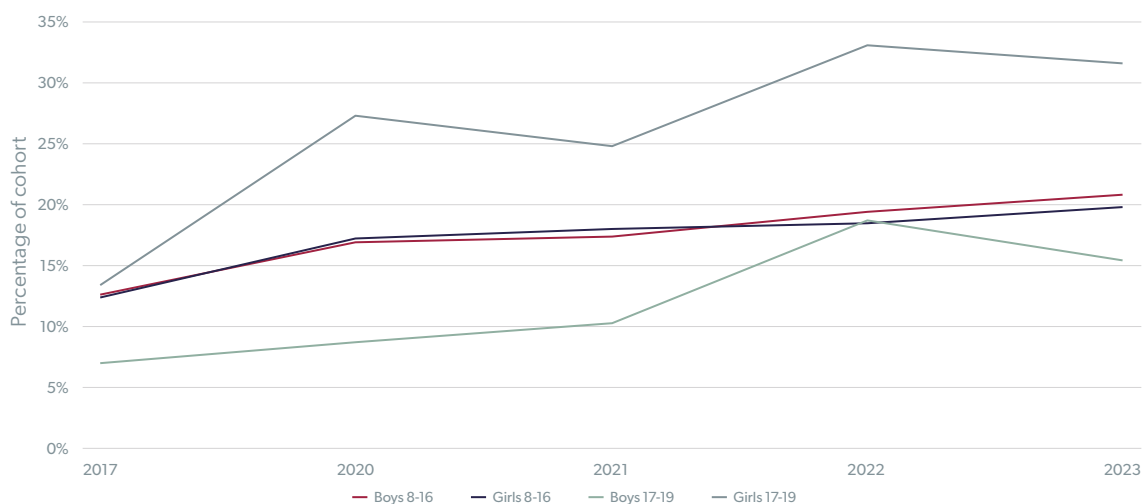
Figure 2: Probable Mental Disorder, by Age Category in England, 2017 to 2023



Source: NHS Digital, CSJ analysis of Mental Health of Children and Young People in England, 2023 – wave 4 follow up to the 2017 survey, November 2023

Sex based differences are complex and vary with age. A recent change post-COVID-19 pandemic has been that eight to sixteen year old boys now have a greater likelihood of mental health disorders than girls, as shown in Figure 3. In 2022, the proportion of eight to sixteen year old boys with probable mental disorders rose higher than girls of the same age for the first time. However, for young adults, the trend is very different. As Figure 3 shows, in 2023, 31.6 per cent of 17-19 year old girls had a probable mental disorder, compared to just 15.4 per cent of boys, a difference of 69 per cent.

Figure 3: Probable Mental Disorder, 8-16 and 17-19 Year Olds in England by Sex, 2017 to 2023



Source: NHS Digital, CSJ analysis of Mental Health of Children and Young People in England, 2023 – wave 4 follow up to the 2017 survey.

Girls tend to report elevated psychological distress, self-harm and suicide attempts at a higher rate than boys, according to analysis by the Sutton Trust in 2022.<sup>771</sup> The gap at this age between male and female young adults may be partly explained by girls' ability to identify and articulate psychological distress. The Commission spoke to young women over the age of 18 involved in the Young Women's Outreach Project (YWOP) in Gateshead, an organisation supporting young women experiencing major crises, including mental ill health, and high levels of social anxiety. One young woman told the Commission in March 2023, almost two years exactly after the onset of the first lockdown, *"I still have friends that won't leave the house."* Another said, *"I still can't drive through where my old school is [because of past trauma with school]"*.

The Commission spoke to YWOP again in November 2023.

### Case Study – Young Women's Outreach Project

*This case study has been shared with the permission of Young Women's Outreach Project and parents/guardians.*

In March 2023, the Social Justice Commission hosted a lived experience focus group at the Young Women's Outreach Project just outside of Gateshead town centre. The young women being served by the charity struggle with their mental health, school attendance and some are young mothers. All of the young women the Commission spoke to were under the age of 18.

This is the story of Sarah and Lucy (names changed for anonymity).

Both young women began to feel anxious at an early age. Confusion, fear and the numbing of normal emotions became part of daily life.

Sarah – *"It was small things that first made me realise I had anxiety; I would feel ill every morning I had to go to school and cry when I walked to the bus stop. I was confused, I didn't know what to do or what was wrong with me. It was my mam who first realised as she has anxiety and suffers from panic attacks, so she took me to the GP."*

Lucy – *"I started suppressing my emotions at about 11 or 12, I did this because I didn't want to be a burden to my friends and family. I felt completely numb for a while."*

As the COVID-19 pandemic swept across the world in February and March 2020, bringing profound change to the functioning of our societies, Sarah and Lucy were confined to their rooms. Often alone and isolated, existing mental health issues became more complex.

Sarah – *"This was just before COVID, so I received remote counselling, it was pointless, all they would ask is how my day had been. Even if they did ask me how I was feeling I didn't feel comfortable talking about it because I had my family around me, and I didn't want them hearing or knowing what was going on with me. I feel like I needed it to be in person to really work."*

Lucy – *"During lockdown I was barely talking to anyone, and I really enjoyed it, I'm not sure whether it was because I wasn't talking to anyone or because I wasn't in education anymore. No one noticed I needed help until I overdosed."*

771 UCL and The Sutton Trust, Wave 1 - Initial Findings - Briefing number 4. Mental Health and Wellbeing, November 2022, p. 1

The Commission was told how often young women like Sarah and Lucy feel trapped and unseen. The impact of lockdown was a catalyst for such feelings of isolation, often to a tragic end.

*Lucy – “When I tried to take my own life, I ended up in hospital and had to have my stomach pumped, it was awful. I was then referred to CYPs and was seen within a few weeks.”*

Many of the young women told us that they were only given appointments with children’s mental health services when their situation became life threatening.

Sarah struggled to attend school. She told the Commission she felt disregarded by the school and teachers. Another young woman at YWOP told the Commission that there was a problem with transient teaching staff, which meant they struggled to build stable relationships with teachers. Lockdown permanently shifted Sarah onto a path of school absence.

*Sarah – “After lockdown I really struggled to go to school, I was off most of the year because of my anxiety, then when I went back the next year, I was told I could do flexible hours on my terms, then when I got in, I was with a really non-understanding teacher who would always ask me why I wouldn’t go to lessons.”*

However, with the help of in-school ancillary support services like school counsellors, Sarah was able to access help.

*Sarah – “I did get a school counsellor, and they helped, I could tell them how I was feeling without being judged and I related to them. They would also speak to some of my teachers and explain what was going on with me which really helped.”*

The strength of family relationships also helps Sarah persevere through difficult times of mental health.

*Sarah – “Due to my mental health and struggles I didn’t do as well in my GCSEs as I should have, which meant I had to change my sixth form plans, but the Sixth Form College I am at now are much more understanding and supportive of me which helps. I also have the support of my mam and my sister as we all talk to each other about how we are doing.”*

Both Sarah and Lucy agreed that schools needed to be better equipped to support, but also educate young people about the realities of mental health. Lucy told the Commission how she wished she had an understanding of mental health that wasn’t just the clinical conditions of depression, anxiety and schizophrenia, but the very basics of dealing with and processing negative emotions.

*Lucy – “I identified the problem myself, but I would have liked to know about mental health, that isn’t just depression, anxiety and schizophrenia as that is what people mostly think when mental health is mentioned. A basic knowledge of mental health might have made me realise earlier that suppressing my emotions wasn’t normal or healthy and I might not have done it for so long until I finally snapped.”*

Both Sarah and Lucy were supported by YWOP and found a secure community where they could be open and honest about the challenges that they face. YWOP has helped hundreds of young women to overcome many of the most difficult circumstances.

Lucy – “I was then referred to CYPs and was seen within a few weeks...the only reason I wouldn't go back is because I don't think I need that much support anymore, because I have moved away from that certain environment which made me feel worse, with help from The Young Women's Outreach Project.”

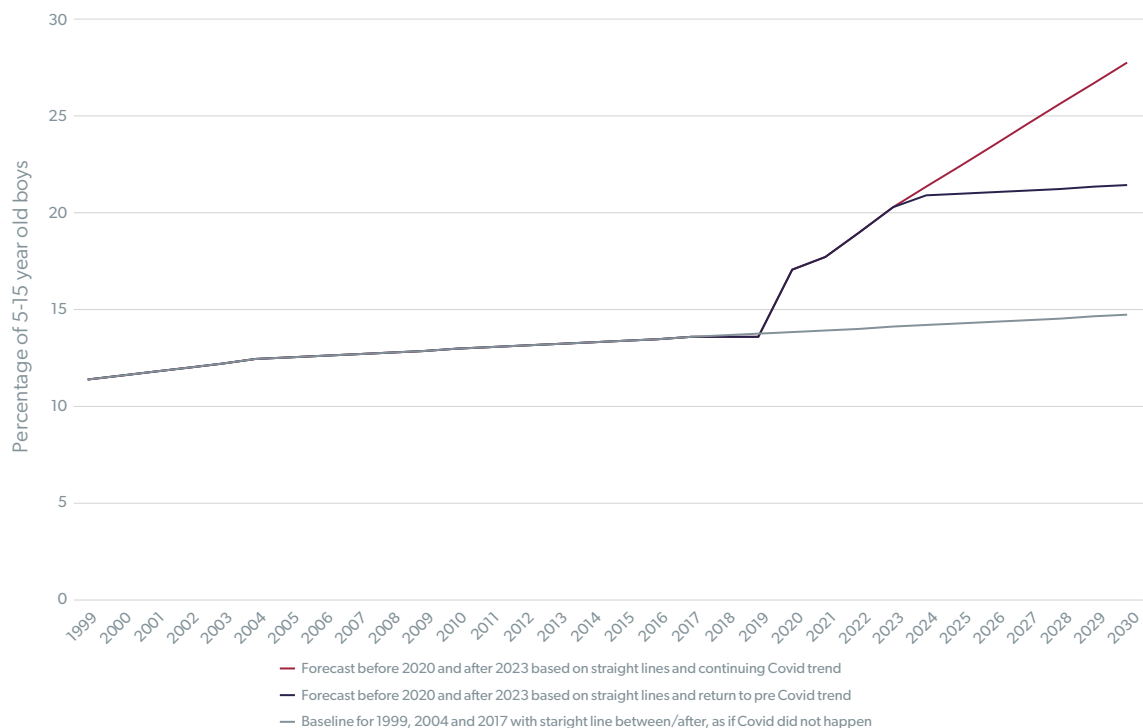
Sarah - “The Young Women's Outreach Project also helped with school as it helped with my confidence and made my attendance go up a little bit.”

## The Impact of the Covid-19 Pandemic

The COVID-19 pandemic exacerbated existing issues and laid bare the fragility of the resilience of many children and young people. A family centre in Leicester told the Commission that children were experiencing mental ill health at an earlier age following the COVID-19 pandemic. They said, ‘anxiety was affecting children earlier [in their lives] than pre-COVID’.

The Commission's analysis of historic and post-COVID-19 trends in mental health conditions among five to fifteen year olds have found that, if current trends continue, over one in four (26.5 per cent) of all five to fifteen year olds will have a mental disorder by 2030. If trends return to pre-COVID-19 levels, this figure will be just above 20 per cent by 2030, as per Figure 4.

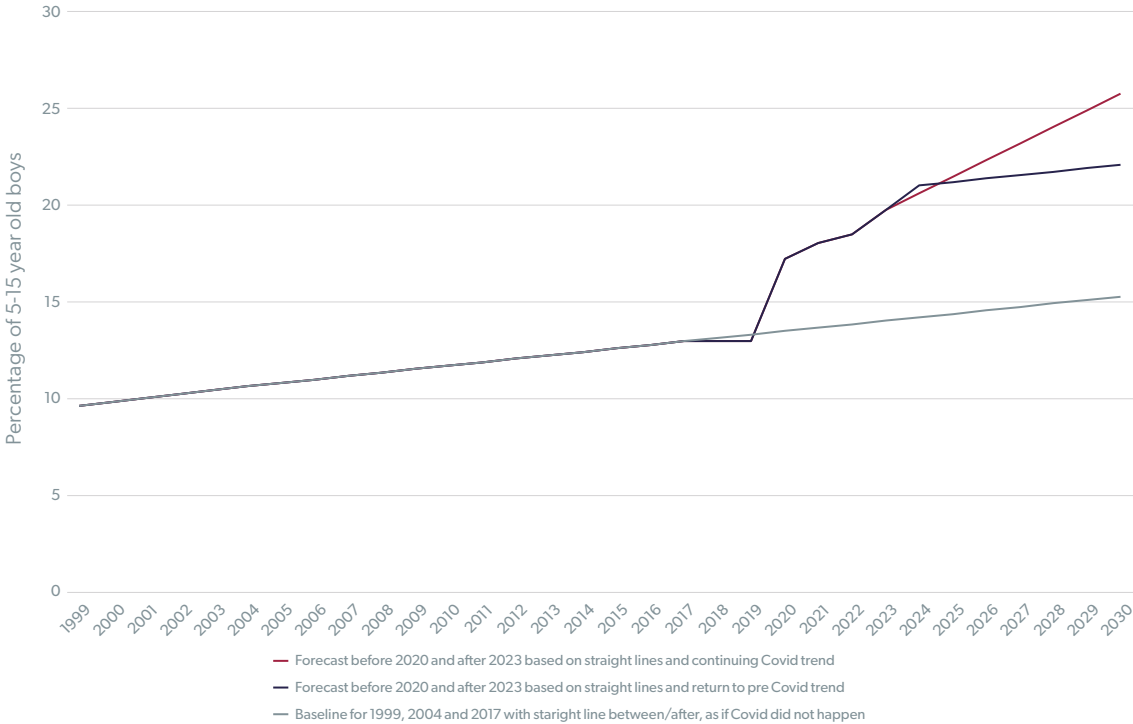
Figure 4: Historic Trend and Post-2023 Projections in Mental Disorders, 5-15 Year Olds, England, 1994 to 2023



Source: CSJ Analysis of Department for Health and Social Care Survey Data.

For girls, at a COVID-19 growth rate, nearly one in four (23.7 per cent) will have a mental health condition by 2030, this falls to 20.8 per cent if growth returns to pre-COVID-19 levels, as shown in Figure 5.

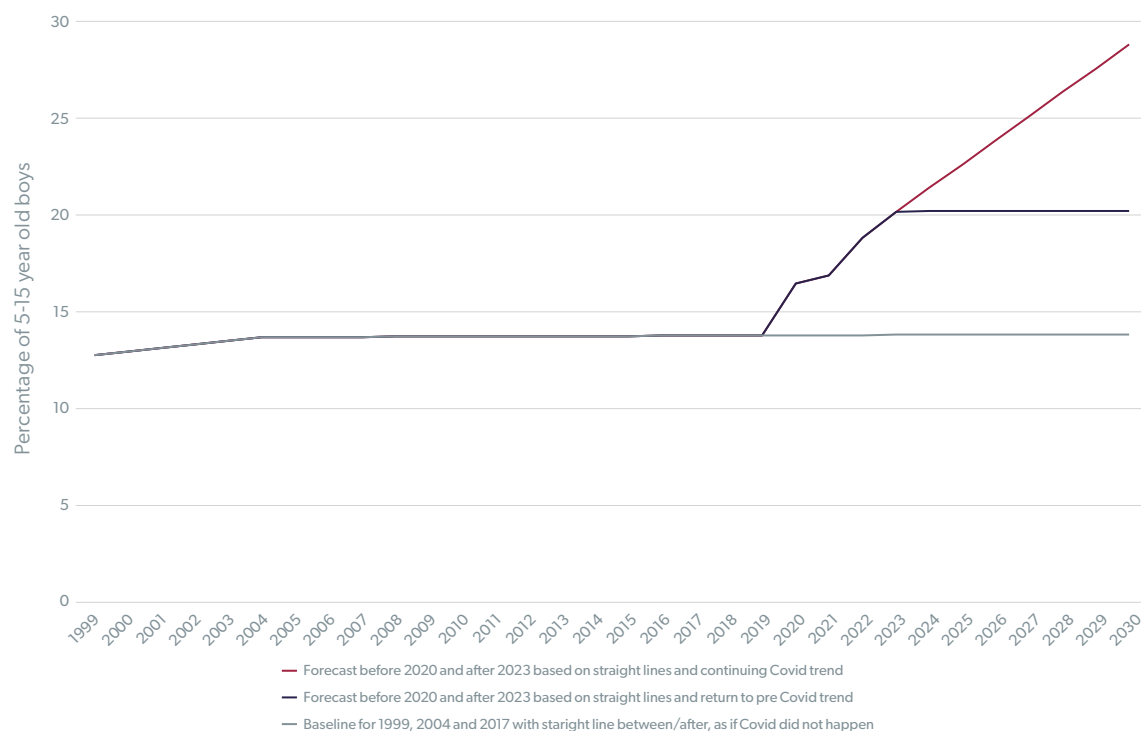
Figure 5: Historic Trends and Post-2023 Projections in all Mental Disorders, 5-15 year old Girls, England, 1999 to 2023



Source: CSJ Analysis of Department for Health and Social Care Survey Data

The COVID-19 pandemic impact is even more stark in boys. For five to fifteen year olds, it is now more likely for a boy to present with a mental health disorder than a girl. By 2030, it is predicted that 29.2 per cent of boys will have a mental health condition. If pre-COVID-19 trends continue, this will fall back down to below 1 in 4 (19 per cent), as per Figure 6.

Figure 6: Historic Trends and Post-2023 Projections in all Mental Disorders, 5-15 year old Boys, England, 1999 to 2023



Source: CSJ Analysis of Department for Health and Social Care Survey Data

Children’s mental health and wellbeing appears to have a direct correlation with COVID-19 restrictions. A UK-based longitudinal online survey that tracked more than 8700 families monthly from the fifth day of the UK’s first national lockdown in March 2020, found that parent-reported symptoms using a Strengths and Difficulties Questionnaire (SDQ) of behavioural and attentional difficulties in their children peaked in correlation with the most severe restrictions, decreasing as restrictions eased.<sup>772</sup>

The study also showed higher levels of parent reported SDQ mental health symptoms among children and young people from those living in low-income families, and while those from higher-income families saw symptoms ease as restrictions did, parents of children in low-income families continued to report high levels of symptoms even after restrictions lifted, leading to a conclusion that children from families on the lowest incomes appeared to be less likely to bounce back from their lockdown experience.<sup>773</sup> However, it is worth noting that 25 per cent of parents reported that their relationship with their children had become better during the lockdown compared to less than 5 per cent who reported it had become worse.<sup>774</sup>

772 Creswell et al., Young People’s Mental Health During the COVID-19 Pandemic, The Lancet Child Adolescent Health, June 2021, p. 536

773 Ibid

774 Understanding Society, Covid-19, July 2020

Those who experienced major life events during the pandemic had a higher-than-average likelihood of being above the threshold for probable mental ill health, up to 69 per cent more likely for those who witnessed arguments between parents or guardians.<sup>775</sup> During the first lockdown, beginning in March 2020, the proportion of children meeting the threshold for clinical diagnosis for mental health problems increased by up to 35 per cent.<sup>776</sup> Sadly, clinicians and academics from the National Child Mortality Database (NCMD) found that, although sample sizes were small, records indicate that suicidal ideation in young people increased over the first six weeks of the first UK lockdown.<sup>777</sup>

Eating disorders such as anorexia and bulimia among girls aged 13-16 were 42 per cent higher than would be expected, based on pre-pandemic trends.<sup>778</sup> The eating disorder charity Beat reported a 300 per cent rise in demand for their helpline during the onset of the pandemic with numbers still remaining high.<sup>779</sup> Dr Pearl Mok from the University of Manchester attributed the rise to a mixture of issues directly related to the COVID-19 pandemic such as social isolation, anxiety resulting from changing routines, disruption in education as well as unhealthy social media influences and increased clinical awareness.<sup>780</sup> Higher rates of eating disorders amongst children from wealthier areas has been attributed to differences in service provision and challenges in accessing clinical care, rather than greater increases in risks for self-harm and eating disorders.<sup>781</sup> There has also been concern that some conditions have been exacerbated by social media platforms and influencers. The Girl Guides found in a 2020 attitudes survey that influencer promotion of unattainable lifestyles and beauty ideals were leading to mental health issues such as depression, anxiety, body dysmorphia and eating disorders.<sup>782</sup>

Clinical and medical interventions for children and young people are also on the rise. The number of young children prescribed antidepressants has risen by 41 per cent since 2015.<sup>783</sup> The increase has partly been attributed to the long wait for mental health services or child and adolescent psychiatrists. In some areas like South Yorkshire children and young people wait 1,019 days (2.8 years) for an assessment, while in other areas such as Staffordshire the wait was just seven days.<sup>784</sup> NHS data shows 66,389 young people aged 19 and under were referred to Child and Adolescent Mental Health Services (CAMHS) in April 2021, a 109 per cent rise compared to the same month pre-pandemic.<sup>785</sup> As a result of the rise in referrals and the long wait times, some GPs are prescribing medication before psychiatric assessment has taken place.<sup>786</sup> One Headteacher told the Commission that the demands on CAMHS are so great that parents are exaggerating the severity of their child's condition in order to move up the waiting list. He said, "*Cannabis won't do the trick, so parents say they are using cocaine, in order to get them [their children] in to CAMHS.*"

Mental health problems in young people are not spread equally across the population, they disproportionately impact the most disadvantaged. Analysis from the Millenium Cohort Study found that 17 per cent of 11-year-olds from families in the bottom fifth of income distribution were identified as having severe mental health problems in 2012, compared with only 4 per cent from

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775 UCL & The Sutton Trust, Wave 1 - Initial Findings and Briefings- No.4 - Mental Health and Wellbeing, November 2022, p. 6

776 Pearcey et al., Changes in Children and Young People's Mental Health Symptoms and 'Caseness' During Lockdown and Patterns Associated with Key Demographic Factors, September 2020, p. 5

777 Odd et al., Child Suicide Rates During the COVID-19 Pandemic in England: Real-time Surveillance, July 2020, p. 12

778 Trafford et al., Temporal Trends in Eating Disorder and Self-Harm Incidence Rates Among Adolescents and Young Adults in The UK in the 2 Years Since the Onset of the COVID-19 Pandemic: A Population-Based Study, The Lancet Child & Adolescent Health, June 2023, p. 554

779 Quinn, T., Self-harm and Eating Disorders Among Teenage Girls Soar Since COVID, June 2023

780 Temporal Trends in Eating Disorder and Self-Harm Incidence Rates Among Adolescents and Young Adults in The UK In The 2 Years Since the Onset of the COVID-19 Pandemic: A Population-Based Study, The Lancet Child & Adolescent Health, June 2023, p. 552

781 Ibid

782 UK Parliament, Written Evidence Submitted by Girlguiding, May 2021

783 Julia Robinson, The Pharmaceutical Journal, February 2022

784 Tidman, Z., Vulnerable Children Wait Almost Three Years to Access Mental Health Care While Others Seen in Just a Week, January 2022

785 NHS Digital, Mental Health Services Monthly Statistics, July 2022

786 Robinson, J., Peaks in Number of Young People Prescribed Antidepressants Coincide with Lockdowns, June 2021



families in the top fifth.<sup>787</sup> Referral rates to secondary mental health services are 57 per cent higher among children from deprived areas than those in more affluent neighbourhoods.<sup>788</sup> Children living around debt are five times more likely to be unhappy than children whose family do not have financial challenges.<sup>789</sup> Social determinants of mental health, such as poor housing, loneliness, isolation and income uncertainty are more important than ever.<sup>790</sup>

*“Children were educated at home via zoom for a couple of years. So, their social interaction, their social norms have been affected. We are seeing a big rise in teenagers who are unable to have a healthy, respectful relationship.”*

— Big Listen North West Attendee

*“We used to get the situation of some children from some school classes being referred for mental health support. Now we are getting whole classes...it’s an epidemic.”*

— Big Listen Scotland Attendee

*“When asked in lockdown what they missed most...[it] was coaching and their local community, it’s nonsense to say that young people don’t care about their community because that is what they missed most.”*

— Gary Laborn, Coach Core Foundation

*“The pandemic had a massive impact on young children who are more shy and nervous. Devices has also become a huge problem. Through the pandemic all they had was social media, and that has persisted. It is addictive and kids aren’t able to get off them.”*

— Ceri Stilwell, Bulldog Boxing

*“I went through anxiety and depression through the lockdown, so I know it’s scary to leave the house and think “Are people going to judge me because I’m poor?”. I isolated myself completely, I never left the house, I never thought I would be like that.”*

— Pencader Family Centre, Big Listen Wales

*“Children have missed the important socialising of growing up during lockdown.”*

—Plant Demi, Big Listen Wales

787 Centre for Mental Health, Children of the New Century: Mental Health Findings from the Millennium Cohort Study, September 2018, p. 3

788 Byline Times, The ‘Syndemic’ of Poverty and Mental Health in Young People, October 2022

789 The Children’s Society, The Damage of Debt, September 216, p. 2

790 Welsh Parliament Health and Social Care Committee, Connecting the Dots: Tackling Mental Health Inequalities in Wales, December 2022

# What is Driving the Rise?

## Better Understanding

Lockdown undoubtedly exacerbated mental ill-health amongst young people, but the numbers of those struggling had been increasing for some time. It is hard to pin-point only one cause. One is undoubtedly better understanding, including greater public awareness of the symptoms of mental ill-health and an encouragement to articulate struggles and seek help. Campaigns such as *It's OK not to be OK*,<sup>791</sup> and *Better Health – Every Mind Matters*,<sup>792</sup> have helped to reduce the stigma of young people seeking help for mental ill health. The Commission's polling found that 50 per cent of people agree that there is now a better understanding of mental health conditions.<sup>793</sup> 90 per cent of people in the UK surveyed by the British Association for Counselling and Psychotherapy think mental health has a higher public profile than five years ago, 83 per cent of people think it's more socially acceptable to discuss mental health, and 69 per cent of people are more aware of mental health issues themselves than five years ago.<sup>794</sup> It is clear that the greater awareness around the symptoms of mental ill health, as well as a reduced stigma about discussing them, has undoubtedly brought about many benefits.

## Family

Another driver of mental ill health in young people is strained family relationships, in particular family conflict and the experience of family breakdown. Family relationships continue to be a top reason young people contact Childline,<sup>795</sup> and over half of 4,500 children seen by the Child and Adolescent Mental Health Services (CAMHS) cited family relationship problems as one cause of their mental ill-health.<sup>796</sup> A stable and secure family life is key to giving the best possible conditions for children and young people to have good mental health. Children growing up in households with frequent, intense, and poorly resolved conflict between their parents have higher likelihood at experiencing internalising problems, which include low self-esteem, anxiety and depression.<sup>797</sup>

In 2021, families who reported family functioning problems had higher levels of mental disorders than the overall population. For example, out of 11–16-year-olds in 2021, 28.3 per cent with a probable mental disorder had family functioning problems at home. For the cohort as a whole, only 17.6 per cent had family functioning problems. This demonstrates that probable mental disorder is more common in homes where there are family functioning problems. There is a similar trend in all other age brackets.

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791 IOKN2NOK, *It's OK not to be OK*, Accessed: [iokn2bok.org/](http://iokn2bok.org/)

792 NHS Digital, *Make the First Move on Your Mental Health*. Accessed: [www.nhs.uk/every-mind-matters/](http://www.nhs.uk/every-mind-matters/)

793 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

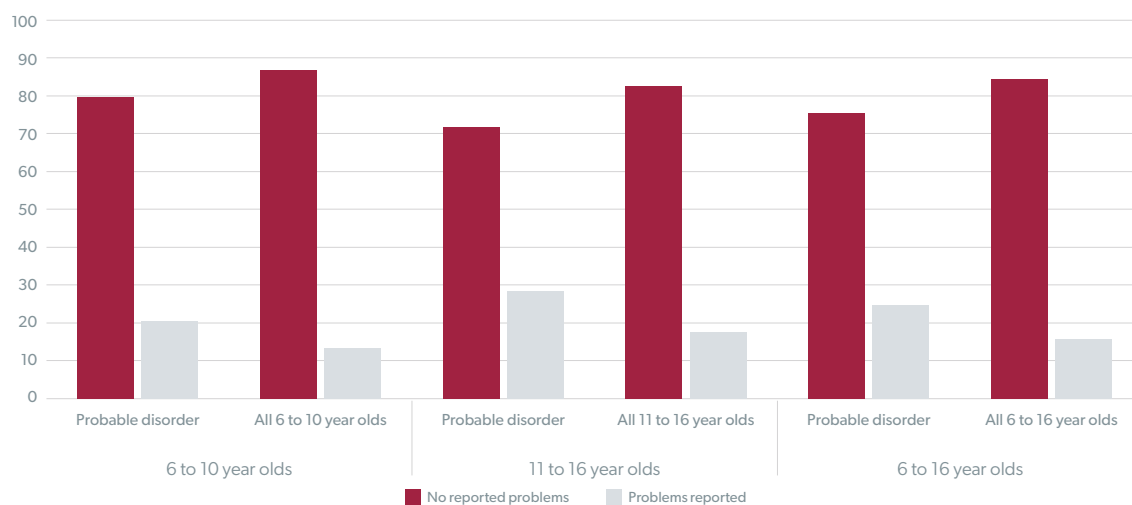
794 BACP, *Attitudes Towards Mental Health Are Changing, Our Research Finds*, October 2021

795 NSPCC Learning, *Childline Annual Review - NSPCC learning*, July 2019, p. 2

796 Wolpert, M. and Martin, P., *THRIVE and Pbr: Emerging Thinking on a New Organisational and Payment System For CAMHS*, 2015, p. 24

797 Early Intervention Foundation, *What Works to Enhance Interparental Relationships and Improve Outcomes for Children?*, 2016, p. 22

Figure 8: Percentage of Children with a Mental Disorder by Family Functioning and Age Group, England, 2021



Source: NHS Digital, CSJ analysis of 'Mental Health of Children and Young People in England, 2021: Wave 2 follow up to the 2017 survey'

Children benefit from a stable family life. As a general trend, and while not minimising the experiences of those whose specific cases differ, marriage remains the most stable family type for raising children (see previous chapter, *Fragile Families*) and this stability impacts children's mental health. Children of married parents - when compared to cohabiting parents - tend to have better mental health. According to the ONS six per cent of those aged five to ten with married parents had a mental health disorder compared to 12 per cent of the same age with cohabiting parents.<sup>798</sup> Compared to children living with married parents, children who lived in other family types, including other stable non-married families, were more likely to display externalising disorders (defined as problems with self-control of emotions and behaviours) at age five, even after adjustment for a range of socio-economic, demographic and health factors.<sup>799</sup> Income, a common explanation for this difference, interestingly bore no correlation with behaviours.<sup>800</sup>

Parental mental health has a direct impact on children and young people's mental health. The Millennium Cohort Study (MCS), which has followed the lives of around 19,000 young people born across England, Scotland, Wales and Northern Ireland who were born between 2000 and 2002, found that parental relationship status is 'significantly associated with mental health', with 7.3 per cent of married mothers experiencing psychological distress compared to 11 per cent of cohabiting mothers.<sup>801</sup> Children with a parent who has mental ill health are more likely to have poor general health or to have a mental, emotional, or developmental disability.<sup>802</sup> Unmarried mothers are now the most common type of first-time mother, and cohabiting families have been the fastest growing family type for some years (see *Fragile Families* for an analysis of changing family structure). Given the strong link between less stable family types and mental-ill health in children and young people, the often-neglected discussion about family stability is a useful factor in understanding young people's mental health.

798 ONS, *Children Whose Families Struggle to Get on Are More Likely to Have Disorders*, March 2019

799 Holmes, J. and Kiernan, K., *Fragile Families in the UK: Evidence from the Millennium Cohort Study*, June 2010, p. 13

800 McCulloch, A D., Wiggins R, E., Joshi, H., Schdev, D., *Internalising and Externalising Children's Behaviour Problems in Britain and the US: relationships to family resources*, *Children and Society*, November 2000, p. 379

801 Mensah, F. and Kiernan, K., *Parents' Mental Health and Children's Cognitive and Social Development: Families in England in the Millennium Cohort Study*, November 2010, p. 1029

802 Wolicki, SB., Bitsko, R.H., Cree, R.A. et al., *Mental Health of Parents and Primary Caregivers by Sex and Associated Child Health Indicators*, April 2021

## Screen time, Social Media, and Smart Phones

The rise of time in front of a screen, and in particular the use of social media, has also been attributed to the rise in mental ill-health in young people. Ofcom reports that the amount of time that those aged five to fifteen years spent online rose from an average of nine hours per week in 2009 to 15 hours in 2018.<sup>803</sup> Anglia Ruskin University undertook a global analysis study in 2022 and found that screen time increased for young people across all age groups (age six to seventeen) during the COVID-19 pandemic. Primary school children aged six to ten had the largest increase in screen time with an increase of 1 hour and 23 minutes per day.<sup>804</sup>

UCL researchers analysing the Millenium Cohort Study found that adolescents using social media for three hours or more a day are more likely to show signs of depression at age 14, compared to their peers who use it less often.<sup>805</sup> This was particularly pertinent for girls. The link between social media usage and depression was attributed to the link between high social media use, disrupted sleep and cyberbullying.<sup>806</sup> Frequent, prolonged social media use and cyberbullying also appeared to lower self-esteem and satisfaction with girls' body image.<sup>807</sup> Despite social media providing more possibilities to connect people together, studies have shown high usage actually increases feelings of loneliness. A study tracking the phased roll out of Facebook across US college campuses in 2004, examined in conjunction with 430,000 responses from the National College Health Assessment (a semi-annual survey of mental health and well-being), found that college-wide access to Facebook led to an increase in severe depression by seven per cent and anxiety disorder by 20 per cent.<sup>808</sup>

Dr Jean Twenge, a psychologist at San Diego State University, who has examined generational changes for 30 years, remarked that although shifts between the generations is normal, in 2012 she began to notice an abrupt shift commenting that 'the gentle slopes of the line graphs [on teen behaviours and emotional states] became steep mountains and sheer cliffs', a phenomena she had never seen before, despite cohort studies reaching back to the 1930s.<sup>809</sup> Dr Twenge attributed this seismic shift to the rise of smart phones amongst young people.

Lower life satisfaction is also linked to high use of social media. Whilst less than an hour of social media can improve life satisfaction, any more use is linked to a sudden rise in low life satisfaction, as per Figure 9.

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803 Ofcom, Children and Parents' Media Use and Attitudes, 2018, p. 272

804 Mike Trott et al., Changes and Correlates of Screen Time in Adults and Children During the Covid-19 Pandemic: A Systematic Review and Meta-analysis, *eClinicalMedicine*, Volume 48, 2022

805 CLS RSS, Initial Findings from the Millennium Cohort Study Age 14 Sweep, May 2018

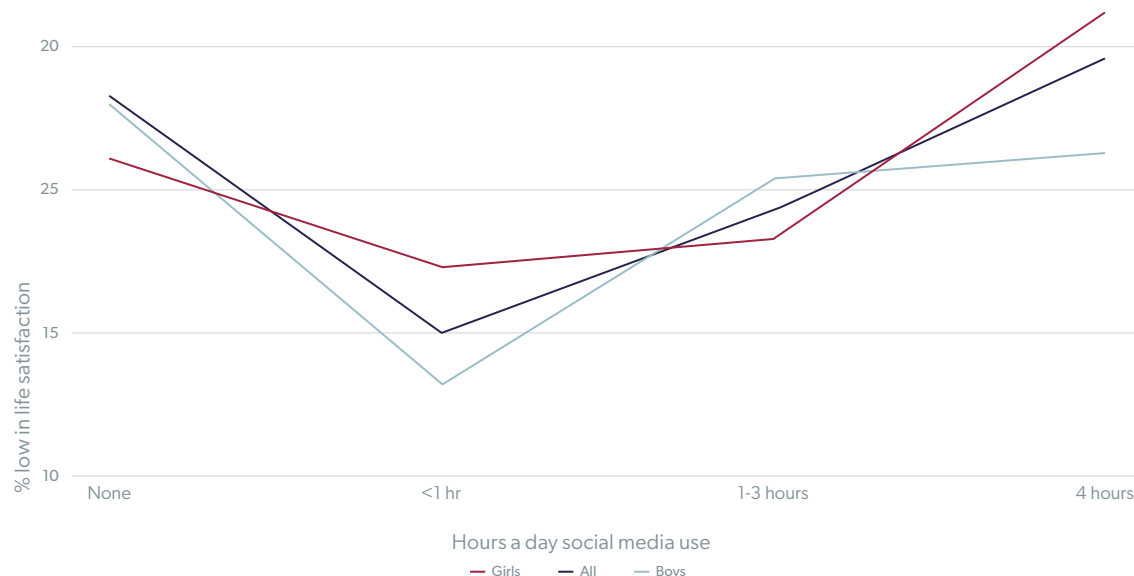
806 Ibid

807 CLS RSS, Heavy Social Media Use Linked to Depression in Young Teens, New Study Shows, January 2019

808 Braghieri, L., Levy, R., Makarin., *Social Media and Mental Health*, September 2021

809 Twenge, J., *Have Smartphones Destroyed a Generation?*, September 2017

Figure 9: Associations Between Social Media Time and Low Life Satisfaction



Source: Acta Psychologica, "Linear correlation is insufficient as the sole measure of associations: The case of technology use and mental health", Twenge and Hamilton

Growing up in 21st Century Britain is now almost synonymous with owning a mobile phone. Ownership of mobile phones increases gradually up to the age of eight, when the rate of ownership accelerates to levels that are near-universal among children aged 12 and remains so into adulthood, according to research conducted by Ofcom.<sup>810</sup> Access to the internet is almost universal with 97 per cent of three to seventeen year olds going online in 2022, either at home or elsewhere, with the figure only slightly lower for three to four year olds (87 per cent).<sup>811</sup> Children and young people are using their online access to access social media sites. 88 per cent of three to seventeen year olds who go online visit YouTube and half use WhatsApp and TikTok, although Facebook is declining in popularity amongst this age group.<sup>812</sup>

It is impossible, and not desirable, to back the clock and prevent young people from participating in the online world which has opened the door to a multitude of new skills and opportunities. Indeed, a little time on social media appears to improve life satisfaction, as shown in Figure 9. However, there does need to be clear eyed evaluation of the long-term negative impacts of the online world. An increasing body of research outlines the correlations between heavy internet, smart phone and social media use with negative mental health outcomes. One study found that electronic device use in girls is more strongly linked to mental health than injectable drug use, obesity, having four or more sexual partners, and having sex before aged 13.<sup>813</sup> Another study found that females who use the internet very regularly were 166 per cent more likely to display depressive symptoms than female users who used it a low amount, compared to boys being 75 per cent more likely.<sup>814</sup> Other studies have shown the negative impact that smartphone use has on learning and overall academic performance showing a correlation between the greater use of a phone while studying, and a negative impact on learning and academic achievement.<sup>815</sup> The move to predominantly online learning during the COVID-19 pandemic meant that screen time only increased.

810 Ofcom, Children and Parents: Media Use and Attitudes, March 2023, p. 7

811 Ibid

812 Ofcom, Children and Parents: Media Use and Attitudes, March 2023, p. 2

813 Twenge, J., Haidt, J., Lozano, J., Cummins, K., Specification Curve Analysis Shows That Social Media Use Is Linked to Poor Mental Health, Especially Among Girls, April 2022, p. 7

814 Twenge, J., Farley, E., Not All Screen Time Is Created Equal: Associations with Mental Health Vary by Activity and Gender, August 2020

815 Sunday, O., Adesope, O., Maarhuis, P., The Effects of Smartphone Addiction on Learning: A Meta-Analysis, 2021, p. 7

## The Medicalisation of Growing Up

Another potential driver of the increase in child mental health disorders is the movement of mental health language from medical terminology to general parlance. This change in language has helped sufferers give terms to emotions they may have felt for some time, helping to fit experiences they felt were abnormal into a commonly understood framework, assisting in regulating and contextualising their experience. An academic evaluation of terminology on social media site X (previously Twitter), found that mental health terminology was more than twice as likely to be trivialised than physical health terminology.<sup>816</sup> The absorption of mental ill health terminology into normal dialogue has also given sufferers confidence to name experiences with less fear. Moving away from seeing health as merely the 'absence of disease', to a model that stresses positive psychological function for mental health,<sup>817</sup> has shifted mental health terminology from a deficit understanding.

Whilst this shift in language has brought solidarity to some, others have raised concerns that the alarming rise in diagnosed mental ill health in young people may, in part, be driven by a loosening of what is meant by mental ill health. This risks overdiagnosis of normal human emotions. Research by BUPA in 2018 found that nearly half (49 per cent) of adults used terms such as 'schizophrenic' and 'autistic' incorrectly.<sup>818</sup> Some evolution of language is inevitable, but an over familiarity with serious medical conditions can trivialise the experiences of those who genuinely suffer from life limiting illnesses. The Commission heard concerns from communities that medicalised terminology can be too readily applied to the typical experience of adolescence, where it is normal to experience bewildering and stressful emotions.

There is a growing body of literature that raises concerns about the over medicalising of normal feelings. Dr Lucy Foulkes from the University of Oxford has attributed this rise in mental health diagnosis to a loosening of language where 'individuals in more hospitable parts of the mental health terrain have started to co-opt terminology that really needs to be reserved for people trapped further in its depths.'<sup>819</sup> A sign of success of the campaign to reduce the stigma of genuine mental health conditions has meant that clinical language has entered colloquial vocabulary. Alongside improved diagnostic procedures and growing awareness, reduced thresholds for diagnostic criteria and heuristics and biases of clinicals were identified by the journal *Bio Med Central* as key drivers of increased mental health diagnosis in children and adolescents.<sup>820</sup> Dr Foulkes and colleagues have attributed the rise of referrals to child and adolescent mental health services (CAMHS) in England to a rise in prevalence, but importantly, also to 'overmedicalisation'.<sup>821</sup>

A rush to medicalise negative experiences can also lead to neglect of the material realities that are contributing to the distress. Therapeutic based interventions are limited if the material surroundings that are contributing to mental ill health are not changed. Loosely applied mental health labels can impact the behaviour of a professional offering the treatment, as clinicians may wrongly assume tendencies and behaviours are present because of a medical condition when the patients' complex needs and experiences have not been taken into account.<sup>822</sup>

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816 Robinson, P., Turk, D., Jilka, S., Cella, M., Measuring Attitudes Towards Mental Health Using social media: Investigating Stigma and Trivialisation, August 2018, p. 51

817 Manderscheid, R., Ryff, C., Freeman, E., McKnight-Eily, L., Dhingra, T., Evolving Definitions of Mental Illness and Wellness, December 2015, p. 1

818 MHFA, New Research Highlights Misuse of Mental Health Terminology but Growing Awareness, February 2018

819 Foulkes, L., What We're Getting Wrong in The Conversation About Mental Health, March 2021

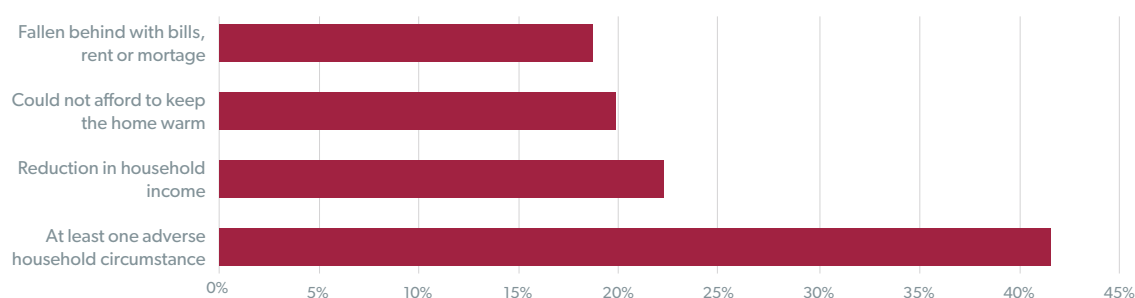
820 Merten, E., Cwik, J., Margraf, J., Schnieder, S., Overdiagnosis of Mental Disorders in Children and Adolescents (In Developed Countries), 2017

821 Foulkes, L., Fergusson, E., Reed-Purvis, S., Overmedicalisation of Young People's Stress Is Undermining and Disempowering Families, June 2023 Vol 1. P.381

822 University of Bath, Mental Health 'Labels' Can Do More Harm Than Good, August 2015

For example, a school-based cognitive behavioural therapy intervention for anxiety, led to an increase in anxiety for those children taking part who were eligible for free school meals, suggesting this was perhaps because the source of their anxiety, their material situation, was not amenable to change from CBT exercises.<sup>823</sup> Commission analysis of NHS data from 2023 has found that 41.7 per cent of children aged eight to sixteen with a probable mental health disorder had experienced at least one adverse household circumstance compared to 33.9 per cent for all eight to sixteen year olds.<sup>824</sup> The most common being a reduction in household income, not being able to afford heating and falling behind with bills, rent or a mortgage, as shown in Figure 10.

*Figure 10: Household Circumstances of Children with Probable Mental Health Disorders, 8 to 16-year-olds, 2023*



Source: NHS Digital, CSJ analysis of Mental Health of Children and Young People in England, 2023 – wave 4 follow up to the 2017 survey

Figure 10 demonstrates the correlation between adverse household circumstances and probable mental health disorders. External factors are important in the likelihood of mental health conditions developing in children.

Despite this correlation, there has been a rise in medical interventions for treating children with probable mental health disorders. Whilst statistics on prescriptions of medication for mental health disorders are not publicly available, in 2021, figures obtained via a freedom of information request showed an increase of 41 per cent from 2015 to 2021 of patients aged five to twelve who were prescribed antidepressants. The majority of these patients were boys.<sup>825</sup> Other studies have shown that antidepressant use in 12 to 17 year olds more than doubled between 2005 and 2017.<sup>826</sup> Children in the most deprived quintile that were twice as likely to be prescribed antidepressants.<sup>827</sup>

In the context of school or home, overmedicalisation can have the unintended consequence of disempowering teachers and parents who feel professionals are always best placed to help even for less severe problems. Many will automatically request external help,<sup>828</sup> resulting in some young people being placed on long waiting lists, instead of receiving the social support at school and home that would truly benefit them.<sup>829</sup>

823 Dimitropoulos et al., "Teachers Often See the Red Flags First": Perceptions of School Staff Regarding Their Roles in Supporting Students with Mental Health Concerns, September 2021

824 NHS Digital, Mental Health of Children and Young People in England 2023 - Wave 4 Follow Up To The 2017 Survey, 21 November 2023

825 Pharmaceutical Journal, Number of Young Children Prescribed Antidepressants Has Risen By 41 Per Cent Since 2015, September 2021

826 Plos Medicine, Incidence and Prevalence of Primary Care Antidepressant Prescribing in Children and Young People in England, 1988-2017: A Population-Based Cohort Study, July 2020

827 Ibid

828 Dimitropoulos et al., "Teachers Often See the Red Flags First": Perceptions of School Staff Regarding Their Roles in Supporting Students with Mental Health Concerns, September 2021

829 Foulkes, L., Fergusson, E., Reed-Purvis, S., Overmedicalisation of Young People's Distress Is Undermining and Disempowering Families, June 2023, p. 381

Adverse external factors are a key indicator of mental health problems in young children. External factors are often a root cause of mental health disorders and must be considered alongside medical interventions.<sup>830</sup> Lads Need Dads, a charity supporting boys in Essex who do not live with their biological fathers, told the Commission about the transformative impact that addressing the root causes of mental health disorders has had on their young service users. The founder and director stated, *“Our boys have moved up sets as a result of doing our programme, they engage better because they’re dealing with their anxieties which stop them from learning.”*

Loosely applied mental health labels can have a negative impact on how individuals perceive or define themselves, with a danger that wrong labels can cement behaviour and thought patterns. This can encourage young people to see a diagnosis as a label that defines them, rather than a tool through which to understand themselves better.

## Resilience

The Commission also found that while children and young people often display remarkable ability to adapt and overcome challenges, there was also a widespread feeling that some children and young people may be lacking in the resilience they need to thrive. A study looking at generational differences between Generation X (those born between 1965 and 1980), and Generation Z (those born between 1997 and 2012) during the COVID-19 pandemic found that Generation Z reported lower resilience when compared to Generation X. As a generational trend, younger people are less resilient than their elders, but Generation Z have been identified as uniquely vulnerable to mental health problems.<sup>831</sup> At the Commission’s Big Listen Wales, one charity leader said about their young people: *“A lot [of young people]... are struggling with their mental health. Because they don’t know how to lose, they don’t know how to fail.”* In Rotherham, a charity leader from Really Neet Project said similarly: *“Fear of failure is setting in at six years old. We should be happy to fail at six years old. Because we should be encouraged that failure is good and is teaching us something good.”*

Mental ill-health developed in young people can set the trajectory for adult life. 50 per cent of mental health problems are established by age 14 and 75 per cent by age 24.<sup>832</sup> Depressed young people have two to seven times the odds of being depressed in adulthood.<sup>833</sup> Analysis of the British Cohort Study examining the relationship between social and emotional skills at age ten, and a range of outcomes at age 42, found that higher self-esteem at age 10 was associated with higher wealth at age 42, and a lower risk of health problems or negative health behaviours (including smoking, drinking, and obesity).<sup>834</sup> Lack of resilience and increase in mental ill-health is likely to follow young people through into adulthood, impacting their ability to work and form their own relationships as well as having implications for the national economy. Indeed, 53 per cent of those economically inactive because of long-term sickness report depression, nerves or anxiety.<sup>835</sup>

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830 NIHR, Antidepressants for Children and Teenagers: What Works for Anxiety and Depression?, November 2022

831 Harari, T., Sela, Y., Bareket-Bojmel, L., Gen Z During The COVID-19 Crisis: A Comparative Analysis of The Differences Between Gen Z And Gen X In Resilience, Values and Attitudes, July 2022

832 Kessler R., Berglund P., Demler O., Jin R., Merikangas K., Walters E., Lifetime Prevalence and Age-of-Onset Distributions of DSM-IV Disorders in the National Comorbidity Survey Replication, June 2005, p. 593

833 Rutter, M., Kim-Cohen, J., Maughan, B., Continuities and Discontinuities in Psychopathology Between Childhood and Adult Life, April 2006

834 Goodman, A., et al., Social and Emotional Skills in Childhood and Their Long-Term Effects on Adult Life, March 2015, p. 52

835 ONS, Rising Ill-Health and Economic Inactivity Because Of Long-Term Sickness, UK: 2019 To 2023, 26 July 2023



## Hope for the Future

A final driver of young people's mental ill-health and well-being is a growing pessimism about the future, intertwined with confusion amongst many young people about their role in that future and where their identity lies. One youth professional in England told the Commission: *"The identity quest is what causes all the crises in young people. We've got so many groups and people and identities; they must go through so much to find an identity."* A headteacher of a secondary school, in a written submission to the Commission named the absence of hope amongst young people living in deprivation as one of the key challenges policy makers were not discussing.

Dr Jean Twenge links the rise in depression amongst teenagers with an increased pessimism about the world, and the future, manifesting in the growing number of 18 year olds who say they are unlikely to have children, which she places as rising significantly from 2012.<sup>836</sup> Some of this apprehension about the future is linked to rising anxiety around the impact of climate change, which is particularly high amongst young people,<sup>837</sup> as well as rites of passage such as owning a house being seen as increasingly out of reach. The COVID-19 pandemic has particularly impacted aspiration for teenagers, who missed out on some of the normal motivators such as exams or finishing school. Over half of young people said that they are now less motivated to study as a result of the pandemic.<sup>838</sup>

These challenges are particularly acute for young people from the most disadvantaged backgrounds. One headteacher told the Commission there was an *'absence of hope amongst young people living in deprivation... The belief that the best that they can expect is to survive.'* A charity supporting young people who are not in employment or education, including many care leavers, across South Yorkshire said the young people they work with either have no aspiration or have set their sights on unrealistic goals. They told the Commission:

*"[Young people] think that they're going to go and make millions of pounds each and that's really hard to get around. But the bulk of them have got no aspiration whatsoever. And they have come through systems where they haven't succeeded, haven't achieved. They've got no success to put under their belt. So, they can't see a future of success. They can't even bring themselves to think that they could try something."*

Another charity supporting families and young people in Leicester corroborated this stating the young people they work with have a *'widespread desire to live an influencers' lifestyle'*.

For many children and young people, especially the most disadvantaged, growing up is hard. This cohort are growing up under the burden of mental ill health, the long-term impact of the COVID-19 pandemic and often bereft of hope for the future. Without a serious reckoning about the long-term impacts of the COVID-19 pandemic, this cohort of children will move into adult life with the scars of the COVID-19 pandemic still raw.

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836 Twenge, J., *Generations*, 2023

837 The Lancet, *Psychological Responses, Mental Health, And A Sense of Agency for The Dual Challenges of Climate Change and the COVID-19 Pandemic in Young People in the UK: An Online Survey Study*, September 2022

838 COSMO, *Mental Health and Wellbeing*, November 2022, p. 1

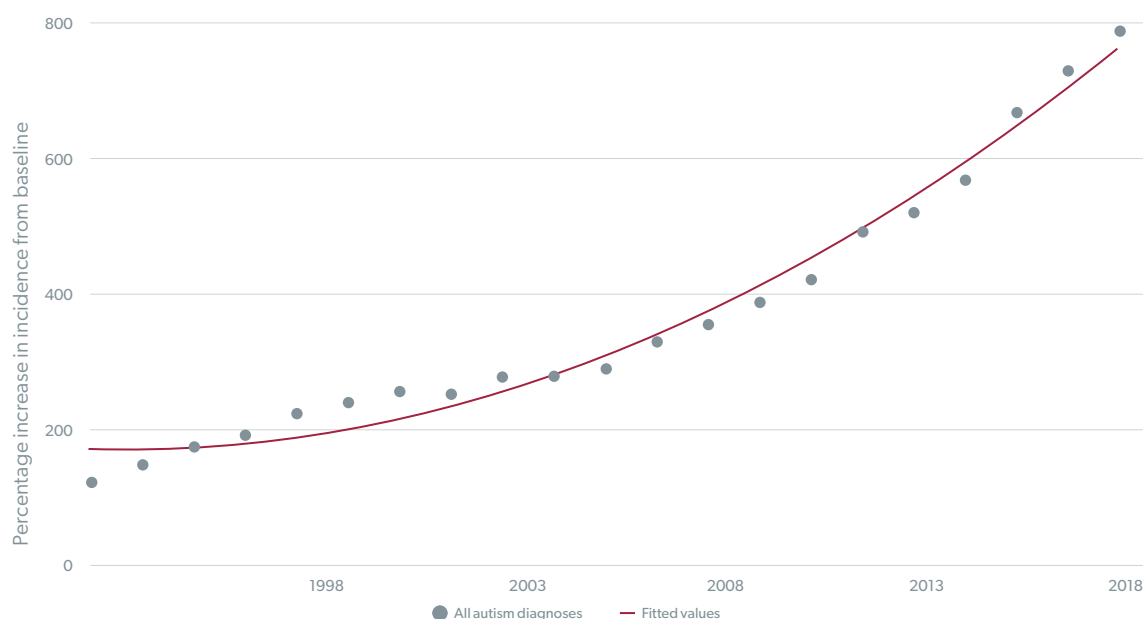
# Special Educational Needs

## Change in SEND Prevalence and Diagnosis Over the Last 20 Years

Awareness of Special Educational Needs and Disabilities has grown substantially in the past two decades, with more children receiving bespoke support according to their needs. The overall proportion of children identified as having SEND has remained relatively stable, recorded as 18 per cent of all pupils in a 2006 House of Commons Education and Skills Committee report,<sup>839</sup> and 17.3 per cent of pupils in England as of January 2023. Within that overall stability in numbers, there was a dip in number followed by consecutive yearly increases since 2016.<sup>840</sup> As of 2022/23, the most common type of need for students with an Education, Health and Care Plan (EHC plan) was autistic spectrum disorder (32.2 per cent of children).<sup>841</sup> For pupils on SEN support, the most common need was speech language and communication needs (25.5 per cent of children).<sup>842</sup>

The increase in the rate of autism diagnosis has been one of the most significant changes in SEND trends over the last two decades. One 2022 study found that between 1998 – 2018 there had been an exponential 787 per cent increase in recorded incidence of autism diagnosis, although much of this rise is undoubtedly driven by greater awareness and better diagnosis.<sup>843</sup>

Figure 11: Percentage Increase in Incidence of Autism Diagnosis from 1998 to 2018



Source: Russell et al., "Time Trends in Autism Diagnosis Over 20 Years A UK Population-based Cohort Study", The Journal of Child Psychology and Psychiatry

839 UK Parliament, House of Commons – Education and Skills – Third Report, 2006

840 UK Parliament, Special Educational Needs and Disability: An Analysis and Summary of Data Sources, June 2023, p. 10

841 Department for Education, Special Educational Needs and Disability: An Analysis Any Summary of Data Sources, June 2023 p. 11

842 Ibid

843 Russell et al., "Time Trends in Autism Diagnosis over 20 Years a UK Population-based Cohort Study", The Journal of Child Psychology and Psychiatry, June 2022, p. 674

Looking at trends since 2015/16, there has been a sharp increase in the number of children with EHC plans that have been diagnosed with autism disorder. In 2015/16, there were a total of 57,474 children on an EHC plan with autism disorder, rising steadily year on year to 115,984. Similarly, the number of children with autism in receipt of SEN support has risen from 43,277 to 90,779 during this period.<sup>844</sup>

The rate amongst those on an EHC plan has almost doubled from 28,344 to 54,598 over the seven-year period, while amongst those receiving SEN support, it has risen from 166,347 to 229,723. Those with speech, language and communications needs have also increased significantly and on a similar linear trajectory. As of 2022/2023, 278,596 children in receipt of SEN support had these needs, compared to 194,200 in 2015/16.<sup>845</sup>

Conversely, some needs have remained relatively stable over this period. Physical disabilities amongst those receiving SEND have not increased, while there have been slight but far more modest increases in those with moderate or severe learning difficulties. This trend represents a significant shift in the landscape of children with SEND, with thousands more children presenting with complex mental and emotional needs.

Children eligible for Free School Meals (FSM) are disproportionately likely to have SEN. The proportion of disadvantaged children on FSM as a share of the total number with SEN has risen over the last two decades. A House of Commons report in 2006, found that 26 per cent of secondary and primary school pupils with SEN were eligible for FSM, compared to the then national average of 13.6 per cent eligible for secondary and 16 per cent for primary.<sup>846</sup> Today 41.1 per cent of pupils with a EHC plan and 37.5 per cent of pupils with SEN support are eligible for FSM.<sup>847</sup>

There are several complicated reasons as to why disadvantaged children are more likely to present with SEN. Previous research has identified that poverty increases exposure to risk-factors that compromise early development, which in turn impinges on school preparedness and heightens the need for special educational needs.<sup>848</sup>

The link has been explained as being two-fold. In written evidence to the Commission the Royal College of Speech and Language Therapists (RCSLT) noted they have observed that children from low-income families were more likely than their peers to be born with inherited SEND and are more likely to develop some forms of SEND in childhood. The RCSLT explained that some of this correlation is likely due to intergenerational disability as well as 'smoking and consuming alcohol during pregnancy, parental stress and family breakdown', which can also contribute to the likelihood of a child developing certain types of SEND. Another report identified research that showed some schools wrongly identify SEND when the driving causes are more likely to be cultural and social factors rather than a medical condition.<sup>849</sup>

Sadly, children with SEND also have consistently poorer outcomes in education and a result, later life. They are more likely to be absent from school, be educated in alternative provision, and are less likely to attain core qualifications in English and Maths. In addition, these children are more likely to be not in education, employment or training (NEET) after leaving school and are at greater risk of harms in adult life such as falling victim to crime.<sup>850</sup>

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844 British Medical Association, *Failing A Generation: Supporting Children and Young People in England with Autism Spectrum Disorder Through the Delivery of Education, Health and Care Plans*, 2019, p. 2

845 Department for Education, *CSJ analysis of Special Educational Needs in England Data*, 22 June 2023

846 UK Parliament, House of Commons – *Education and Skills – Third Report*, 2006

847 Department for Education, *Special Educational Needs and Disability: An Analysis and Summary of Data Sources*, June 2023

848 O'Connor, C., Fernandez, S., *Race, Class and Disproportionality: Reevaluating the Relations Between Poverty and Special Education Placement*, August 2006

849 Joseph Rowntree Foundation, *Special Educational Needs and Their Links to Poverty*, February 2016, p. 11

850 [Gov.uk](https://www.gov.uk), *Send Review: Right Support, Right time*, March 2022, p. 10

Children with SEN have been disproportionately affected by the COVID-19 pandemic, with isolation and reduced access to services causing years of disruption,<sup>851</sup> as more children are likely to have been out of sight of specialist services.<sup>852</sup> The Commission heard that the removal of additional help, including respite, was intensely challenging for some parents. Parents and carers surveyed by Ofsted for a Government report on the impact of COVID-19 reported that, at times, the effects of support being withdrawn were 'devastating'. On more than one occasion, parents talked about reaching 'crisis point', where they felt totally unable to cope.<sup>853</sup> Waiting times for key support have also increased post COVID-19 pandemic. Just 49 per cent of EHC plans are issued within twenty weeks in 2023, a drop from 60 per cent in 2021.<sup>854</sup>

Although children of key workers and 'vulnerable children' were able to continue attending school during the Covid-19 pandemic, the definition of 'vulnerable children' did not include those receiving SEND support without an EHC plan. This meant that approximately 1.1 million children and young people in England with varying support needs did not attend school from 23 March until the start of the autumn term 2020.<sup>855</sup>

## SEN Diagnosis

A better understanding of SEN and the challenges and opportunities it brings has undoubtedly helped many children and young people understand themselves better, and led to much needed financial, emotional and educational support. However, the Commission has heard concerns that on the more moderate end of the SEN spectrum, some children are having concrete medical labels prematurely attached to them, before social and cultural factors that may be driving their behaviours have been considered. This can impact the young person's perception of themselves and how they feel they are able to succeed in life.

A GL Assessment report from 2017 found that 57 per cent of teachers thought that children are being misdiagnosed with SEN. 54 per cent blame pressure from parents for the misdiagnosis with 64 per cent saying the reason for parental pressure is that some parents wanted a medical or psychological explanation rather than accepting that their child had a classroom problem that could be addressed by a teacher.<sup>856</sup> There is also a danger that the label becomes predictive rather than productive, as illustrated by a charity leader in Wales, who told the Commission that "*children become labelled in a certain way and then they become that.*" This charity has extensive experience working with vulnerable families and were concerned that children can find being labelled with an SEN condition unhelpful as it can encourage them to live up to the label they have been given. Some children they supported would refer continually to their diagnosis in order to explain and excuse their behaviour. Furthermore, a diagnosis can unhelpfully imply there is a ceiling to what that child can achieve. Rather than using the diagnosis to understand their own brain and behaviour, without the right support children and young people can see their diagnosis as a limiter, rather than a means through which they can learn about themselves and use that learning to their advantage.

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851 Ofsted, Children and Young People with SEND Being Disproportionately Affected by Pandemic, June 2021

852 Ibid

853 Ofsted, SEND: Old Issues, New Issues, Next Steps, June 2021

854 Department for Education, CSJ analysis of Education, Health and Care Plans Data, June 2023

855 Ofsted, SEND: Old Issues, New Issues, Next Steps, June 2021

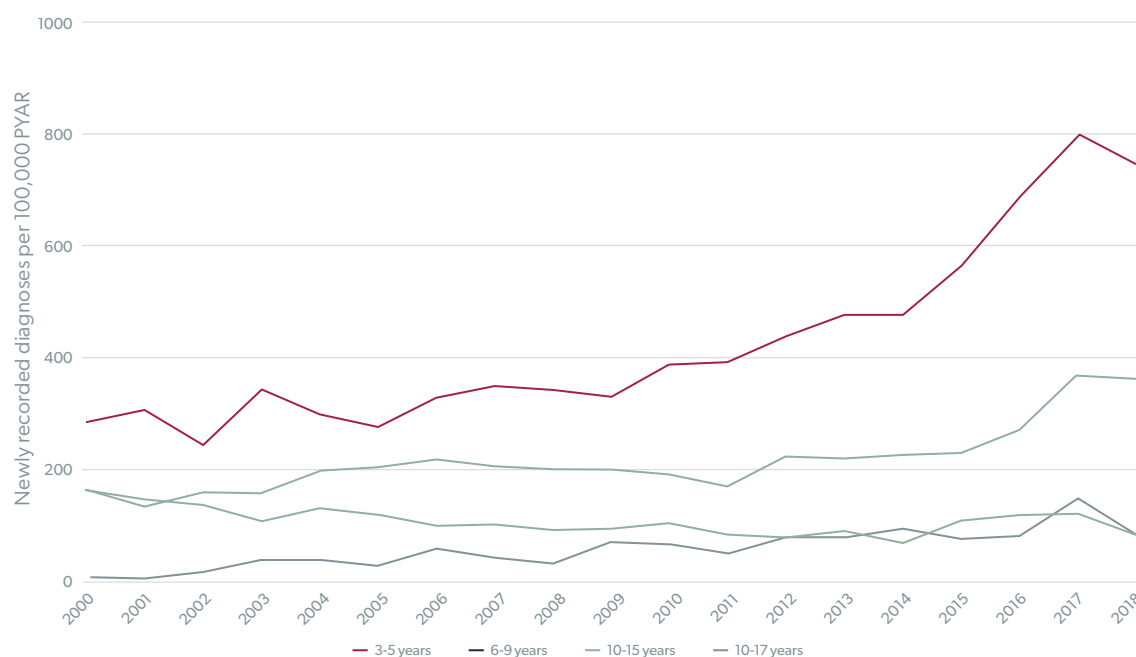
856 GL Assessment, Children's Wellbeing, February 2017

A study of 1,000 child psychologists, psychiatrists, and social workers in America concluded therapists are more likely to over diagnosis ADHD as a condition, particularly in boys, if a patient resembles their concept of a prototypical ADHD child, rather than actually presenting with all the criteria needed for diagnosis.<sup>857</sup> A charity working with care leavers in the North West was concerned that ADHD diagnosis was masking what was in fact widespread Adverse Childhood Experiences (ACE). This charity founder and CEO said that ADHD was a diagnosis that could be more easily reached for, and that could unlock certain aspects of the welfare system or education support. She was concerned that given there was no formalised support for the experience of trauma, it was easier for the clinician to apply a label that was understandable rather than delve into the root causes of a child's behaviour. The charity leader explained that young people struggling with holding on to a tenancy, a job, or a relationship would then blame their ADHD diagnosis, rather than be encouraged to process the root cause of the challenges they were experiencing.

As per Figure 12, from 2000 to 2018, there was a significant rise in the number of six to nine and ten to fifteen year old boys being diagnosed with ADHD, with the same trend occurring for girls with an additional increase in diagnosis for the ten to seventeen female cohort.

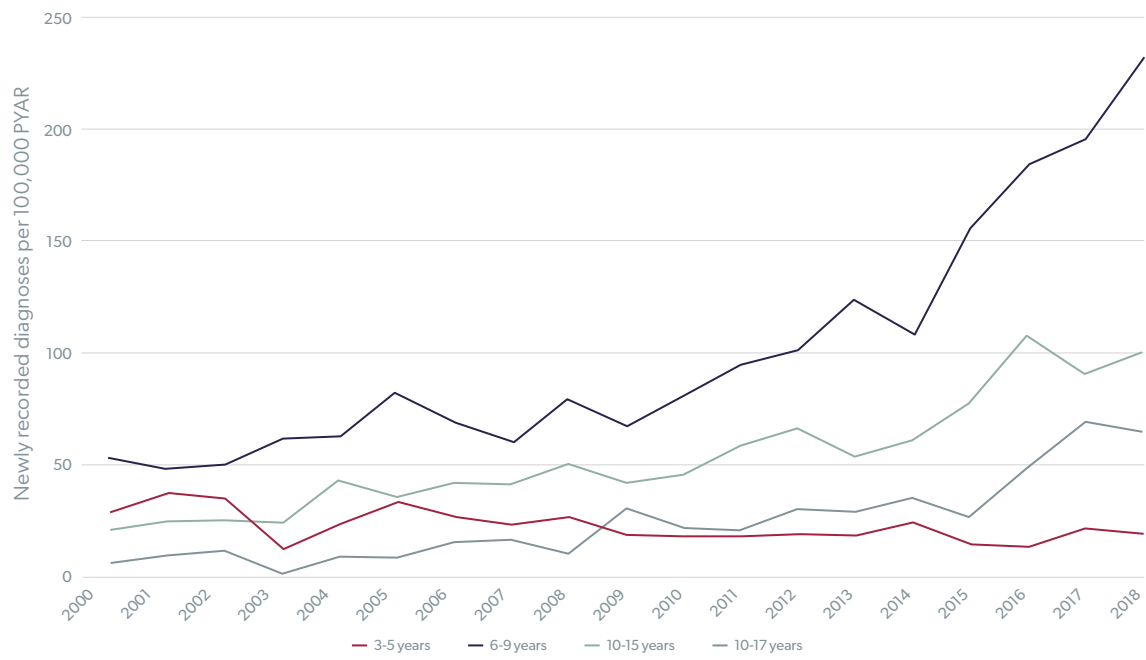
*Figure 12: Time Trends of ADHD Diagnoses in Children, by Gender and Age Group, 2000 to 2018*

#### Male Children



857 Bruchmuller, K., Margraf, J., Schneider, S., Is ADHD Diagnosed in Accord with Diagnostic Criteria?, 2012, pp. 128-138

## Female Children



Source: BJPsych Open, "Attention-Deficit Hyperactivity Disorder Diagnoses and Prescriptions in UK Primary Care, 2000–2018: Population-Based Cohort Study"

# Trama and Abuse

## Trauma in Childhood

While some experience of trauma may be manifesting as wrongly diagnosed SEN, the Commission found a widespread reporting of the experience of trauma and hardship occurring during the childhoods of those suffering from acute multiple disadvantages.

Experiencing trauma (defined as the way in which some distressing events are so extreme or intense that they overwhelm a person's ability to cope, resulting in lasting negative impact)<sup>858</sup> in childhood can have a catastrophic impact on later life. Academics from the University of Bath found that children exposed to trauma by age six were between 50 and 100 per cent more likely to develop psychiatric conditions than non-exposed children.<sup>859</sup> One in four young people who developed PTSD were NEET at age 18 and half experienced social isolation or loneliness.<sup>860</sup>

The experience of trauma in childhood is widespread, but more commonly found in the most disadvantaged. Kings College London research from 2019 suggested that one in thirteen young people in the UK had PTSD before reaching age 18. Adverse Childhood Experiences (ACEs) are another way of measuring trauma and hardship. These include but are not limited to experience of physical, sexual, or emotional abuse, living with someone who abused drugs or alcohol or who went to prison, or experiencing a parent leaving the home through separation or divorce.<sup>861</sup> This experience is not evenly spread throughout the population, with a correlation between decreased social-economic position in childhood and increased likelihood of experiencing an ACE shown in a number of studies.<sup>862</sup> When compared with participants with no ACEs, those with higher ACE scores were more likely to report not finishing school, unemployment and living in a household below the poverty level.<sup>863</sup>

During the extensive listening exercise undertaken by the Commission speaking to people from some of the most disadvantaged communities in the country, many of whom have overcome considerable hardship and challenges, it was clear that very often it was a traumatic event in childhood or early adulthood that started a downward spiral into complex problems, whether that be into addiction, criminality, unhealthy relationships or disengagement with education. Often this one event was compounded by other difficult circumstances, but the common theme of trauma (very often experience of domestic abuse, child sexual exploitation/abuse, bereavement or parental separation or having to cope with adult responsibilities at a young age by being a child carer) was a clear thread running through the life stories of many of those who are struggling with the most acute challenges.

For many, this acutely challenging event was also a catalyst for grit and determination which has driven them to change their life circumstances, process the trauma and move on with their lives, showing that trauma in early life is by no means a deterministic event.

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858 UK Trauma Council, Definitions, Trauma. Accessed: [uktraumacouncil.org/](http://uktraumacouncil.org/)

859 The Lancet Psychiatry, Associations Between Childhood Trauma and Childhood Psychiatric Disorders in Brazil, October 2022

860 The Lancet Psychiatry, The Epidemiology of Trauma and Post-Traumatic Stress Disorder in A Representative Cohort of Young People in England and Wales, March 2019

861 NHS Foundation Trust, Adverse Childhood Experiences and Attachment, 2023

862 Walsh, D., McCartney, G., Smith, M., Armour, G., Relationship Between Childhood Socioeconomic Position and Adverse Childhood Experiences (Aces): A Systematic Review, September 2019, p. 1091

863 Metzler, M., Merrick, M., Klevens, J., Ports, K., Ford, D., Adverse Childhood Experiences and Life Opportunities: Shifting the Narrative, October 2016, p. 141

In the discussion of trauma and disadvantage, it is important to make a clear distinction between traumatic events, such as ACEs, and general poverty and disadvantage. The experience of poverty in itself is not inherently traumatic. Although undoubtedly there is a correlation between trauma as both a driver towards and a consequence of poverty, trauma is best understood as distinct and separate from poverty.

## Child Sexual Abuse

One particular prevalent issue surfacing in the Commission's research was the experience of child sexual abuse or exploitation (CSE). The Crime Survey of England and Wales estimates that 3.1 million adults were survivors of child sexual abuse before they turned 16, which is likely to be a conservative estimate.<sup>864</sup> Sexual abuse is now the most common type of abuse Childline supports children with,<sup>865</sup> and also the most frequent abuse type flagged by adults calling the National Association for People Abused in Childline's support line.<sup>866</sup>

The Jay Report, published in August 2014, estimated that 1,400 children had been sexually abused in Rotherham between 1997 and 2013,<sup>867</sup> and other cases, although not always of the same scale, have been found across 31 other English cities.<sup>868</sup> Approximately 1 in 5 adults in England and Wales have experienced one or more forms of abuse before the age of 16.<sup>869</sup> This is all to demonstrate the uphill battle faced by many young people who carry the harms of this experience into their adult lives. Often it is carried as a secret as the average time between the offence taking place and disclosure is 26 years.<sup>870</sup>

The prevalence of child sexual abuse can in part be explained by the likelihood the perpetrator is known to the victim. Two thirds of child sexual abuse that is reported to the police has been perpetrated by a family member or someone close to the child, often termed intra-familial child abuse.<sup>871</sup> Around one third of child sexual abuse is by other children and young people.<sup>872</sup> Analysis of police-recorded crime data reveals the number of child sexual exploitation crimes increased by 10 per cent in the year preceding October 2022, although with all recorded crime data this can be driven by greater prevalence and better disclosure and enforcement processes.<sup>873</sup>

The avenues for exposure to this heinous crime have expanded with the rise of the internet. Widespread internet access has created more opportunity for content that drives child sexual abuse, as well as more avenues for abusers to contact children. The online element is a crime that is growing. Since 2016, around 400–450 arrests have been made each month in the UK for offences related to child sexual abuse online.<sup>874</sup> UK referrals of child abuse images online has increased by 1000 per cent since 2013.<sup>875</sup>

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864 Office for National Statistics, Child Abuse in England and Wales: March 2020, 2021

865 NSPCC, Childline Annual Review, 2018–19, July 2019

866 Office for National Statistics, Child Abuse Extent and Nature, England and Wales: Year Ending March 2019, January 2020

867 Jay, A., Independent Inquiry into Child Sexual Exploitation in Rotherham, 2014

868 CSJ, Unsafe Children, March 2021, p. 29

869 ONS, Child Abuse Extent and Nature, England and Wales: Year Ending March 2019, January 2020

870 Ibid

871 Centre of Expertise on Child Sexual Abuse, Key Messages from Research on Intra-Familial Child Sexual Abuse, June 2018

872 Erooga M. and Masson H., Children and Young People Who Sexually Abuse Others: Current Developments and Practice Responses, May 2006

873 NSPCC, Child Sexual Exploitation Crimes Up 10 per Cent in The Last Year, October 2022

874 Independent Inquiry Child Sexual Abuse, The Internet: Investigation Report, March 2020

875 HMG, Tackling Child Sexual Abuse Online and Offline, 25 June 2019



The Commission visited Trevi Women, a charity working to support vulnerable women in Plymouth, many who have experience of domestic abuse or homelessness. Trevi's analysis found that approximately 40 per cent of the women they support have been victims of CSE. Understanding the complex early experiences and childhoods of many of those facing the most acute challenges today is key to rebuilding and transforming lives.

## Early Years and Education

Central to providing the best possible start in life for children and young people is an education that will provide both nurture and challenge, opportunity and encouragement and the basis for academic success and skills for life and work. The Commission's polling found that 55 per cent of those from the general public and 44 per cent of those from the most deprived rate improvements in education and increased training opportunities as in the top three policies which would make the most difference to tackling poverty long-term.<sup>876</sup> The COVID-19 pandemic has undone much of the progress made in improving education outcomes for the most disadvantaged children over the past few decades. According to a Public Accounts Committee Inquiry into Education recovery in schools in England, the COVID-19 pandemic reversed 10 years' worth of progress in closing the gap.<sup>877</sup> This was because school closures and disruption to education had a disproportionate impact on students from less affluent families. In evidence gathered for the inquiry the Department for Education admitted it could take another 10 years to get the attainment gap back to pre-pandemic levels.<sup>878</sup>

## Early Years

One area where the impact of the COVID-19 pandemic has been keenly felt is in the early years. The first 1,000 days of a child's life, the time roughly between conception and the child's second birthday are important in laying foundations for optimum health, growth and neurodevelopment.<sup>879</sup> A survey of over 5,000 parents between 29th April and 3rd June 2020, during the first lockdown, found that nearly seven in ten felt the restrictions were affecting their unborn baby or baby (with an increase in crying, tantrums or the child becoming clingier). This was twice as high for parents on the lowest incomes.<sup>880</sup>

An academic study of babies in Ireland found that compared with pre-pandemic babies, babies born during the most stringent lockdowns were less likely to have one definite and meaningful word, to point at people or objects, or to be able to wave goodbye,<sup>881</sup> and similar impacts were expected to be felt by babies across the UK.

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876 Original polling conducted by JL Partners for The Centre for Social Justice of 6,000 adults Nat Rep between 25th August 2023 and 2nd October 2023

877 Committee of Public Accounts, Education recovery in schools in England Fifty-Fifth Report of Session 2022–23, June 2023, p. 8

878 Ibid, p. 9

879 Unicef, The First 1,000 Days of Life: The Brain's Window of Opportunity, April 2013

880 Parent Infant Foundation, Babies in Lockdown: Listening to Parents to Build Back Better, August 2020

881 Byrne, S., Sledge, H., Franklin, R., Boland, J., Murray, D., Hourihane, J., Social Communication Skill Attainment in Babies Born During The COVID-19 Pandemic: A Birth Cohort Study, October 2022

## Attachment

These early years are when the foundations for later development are laid. Key to these foundations are the interactions with their primary carer – usually their mother. A positive interaction between mother and baby can be framed within a “serve and return” metaphor: the baby’s expectation that when they cry, their carer responds to their needs. This validation provides an important buffer against stress<sup>882</sup> and crucially, it moulds the child’s future relationships: an expectation of being cared for and nurtured.

This bond between mother and child is known as “attachment” – a term commonly used by educators and many in the childcare sector although its ubiquitous nature should not detract from its significance. Securely attached children are more likely to attain higher academic grades, have greater emotional regulation, social competence, willingness to take on challenges and have lower levels of ADHD and delinquency.<sup>883</sup> Poor attachment, however, negatively affects the brain’s architecture, which can compromise learning and promote poor behaviour long-term.<sup>884</sup> Children growing up in families experiencing socioeconomic disadvantage are at greater risk of insecure attachment.<sup>885</sup>

## Developmental Delays

One of the areas where the gap between the most advantaged and disadvantaged children is shown most starkly is developmental milestones, and in particular school readiness and speech and language acquisition. The developmental gap between children from the most disadvantaged backgrounds and their peers has been well documented for some time, but the COVID-19 pandemic widened the gap. A charity contributing to the Big Listen Wales said it has been most evidence in the children starting school in the past year, stating *“kids are arriving in school who’ve never interacted with anyone outside of their own family...they’re biting, fighting... and then you’ve got the teenagers who are stuck in a rut.”*

In the years following the onset of the COVID-19 pandemic, reports of developmental delays spiked. A 2023 survey for the Institute of Health Visiting found that 84 per cent of health visitors reported an increase in children with speech, language, and communication delay, 76 per cent reported an increase in child behaviour problems, and 60 per cent reported an increase in child safeguarding issues.<sup>886</sup> In a poll of 6,095 parents in England, the IFS found that nearly half of parents reported that their child had more socio-emotional difficulties in February 2021 than a year earlier.<sup>887</sup> Almost three quarters (73 per cent) of senior leaders in schools polled by the Sutton Trust have said more pupils needed additional support with their personal, social and professional development this year, including 71 per cent who said pupils needed more support with their language and development.<sup>888</sup>

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882 Pat Lavitt, *Toxic Stress and its Impact on Early Learning and Health: Building a Formula for Human Capital Development*, 2014

883 Bath Spa University, et al., *Impact Evaluation Report Attachment Aware Schools Pilot Project Stoke Virtual School*

884 National Scientific Council on the developing child, *Excessive Stress Disrupts the Architecture of the Developing Brain*, 2014

885 Eckstein-Madry, T., Piskernik, B., Ahnert, L., ‘Attachment and Stress Regulation in Socioeconomically Disadvantaged Children: Can Public Childcare Compensate?’, *Infant Mental Health Journal* 42(6), November 2021, pp. 839-850

886 Institute of Health Visiting, *Health Visitor Survey Finds That More Babies and Young Children Are Missing Out on The Government’s Promise of the ‘Best Start in Life’*, January 2023

887 IFS, *How Did Parents’ Experiences in The Labour Market Shape Children’s Social and Emotional Development During the Pandemic?*, August 2023

888 The Sutton Trust, *Views on The Ground from Parents, Providers and Teachers*, August 2021, p. 73

Despite the increase in child development issues, there has not been an increase in children able to see a professional quickly, with long waiting times for NHS appointments. Analysis by the Royal College of Paediatrics and Child Health of NHS data revealed in January 2023 that 67,774 children were on a waiting list for speech and language therapy, of which 35 per cent had been waiting more than 18 weeks.<sup>889</sup> A woman from the Young Women's Outreach Project (YWOP) in Gateshead told the Commission that schools had been unable to provide the support for those who needed to catch up. She felt that *"If you're not smart then they don't care about you."*

As a general trend, children from lower socio-economic households have a much slower early development. The Institute of Health Visiting found that the socio-emotional skills of children living in households where parents experienced labour market instability during the COVID-19 were nearly 20 per cent lower than those whose families had stable labour market experiences.<sup>890</sup>

The IFS has shown that low paid workers were most likely to work in sectors affected by the pandemic, with the economic uncertainty having a knock on effect on children's socio-emotional development.<sup>891</sup> 47 per cent professionals working across the Early Years Sector felt the attainment gap in the under fives had grown since the beginning of the pandemic.<sup>892</sup> More than half of professionals (54 per cent) observed negative changes in learning and development during the first national lockdown, while 42 per cent reported these negative changes were more evident amongst disadvantaged children.<sup>893</sup>

Childhood development delays have lifelong impacts, perpetuating a cycle of disadvantage. The Royal College of Speech and Language Therapists (RCSLT), in a written evidence submission told the Commission of the correlation between socio-economic disadvantage and speech, language and communication needs, important indicators of educational success and future life prospects. 90 per cent of care leavers had below average language ability and 60 per cent met criteria for having Developmental Language Disorder.<sup>894</sup> According to RCSLT research not getting the basic building blocks of skills in the early years, can hold children back throughout their lives.

Parents can close the attainment gap through their own proactive interventions. A large multinational study compared the vocabularies of children aged 8 to 36 months from 13 countries at the beginning of the first lockdown to the end and found that children who had less passive screen time and whose caregivers read to them during lockdown showed larger gains in vocabulary size, compared to pre-lockdown age-matched peers, even after controlling for socio-economic status.<sup>895</sup> Thrive at Five a charity who support children in their early years, in evidence to the Commission, emphasised that engaging the parents is particularly pertinent when, for some families, having a child that does not speak at three does not raise concern.

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889 RCSLT, Specialist Workforce for Children with Special Educational Needs and Disabilities, Westminster Hall debate: Briefing on Access to Speech and Language Therapy, March 2023, p. 1

890 IFS, How Did Parents' Experience in The Labour Market Shape Children's Social and Emotional Development During the Pandemic?, August 2023, p. 3

891 Powell, A., Francis-Devine B., Clark, H., Coronavirus: Impact on The Labour Market, August 2022

892 Early Years Alliance, Concern for Disadvantaged Children As COVID-19 Disruption Risks Widening Attainment Gap, Survey Finds, May 2021

893 Early years alliance, Concern for Disadvantaged Children As COVID-19 Disruption Risks Widening Attainment Gap, Survey Finds, May 2021

894 Evidence submitted to Commission by RCSLT, 7 September 2023

895 Kartushina, N., Mani, N., Aktan-Erciyas, A., Alaslani, K., Aldrich, N.J., Almohammadi, A., et al., COVID-19 First Lockdown as A Window into Language Acquisition: Associations Between Caregiver-Child Activities and Vocabulary Gains, December 2022

Data on child developmental delays correspond with the personal experiences of children and parents across the UK. During a visit to Llanhilleth Miners Institute in the Welsh Valleys, a charity leader told the Commission what these developmental delays look like in reality: *“You’ve got COVID babies coming in when they’re three, they’re not toilet trained. Some are arriving in push chairs at reception.”* They also told the Commission of school aged children who couldn’t climb the stairs because they did not have the required muscle tone. A national charity speaking at the Big Listen Yorkshire said that the *“pandemic shone a light on the lack of focus on speech and language – children had regressed socially. It is a struggle to start teaching the curriculum again, as we need to focus on social development.”* The charity worker who worked closely with schools stated, *“I feel in policy circles there is a focus on moving on from pandemic, but in schools I work with, they are still feeling it, still fighting to get to the starting point, let alone move on.”*

## Education Outcomes for the Most Disadvantaged

Prior to the COVID-19 pandemic, gains had been made in improving the education outcomes for the most disadvantaged children, including through the introduction of a knowledge-rich curriculum, the introduction of the phonics check, the progress made on phonics to date, and a core focus on driving up standards in schools. The introduction of free-schools and academies brought choice for parents and enabled schools to better adapt to respond to local need. The government took action to improve educational outcomes for the most disadvantaged, with the introduction of the Pupil Premium in 2011 which gave schools more money to tackle socio-economic disadvantage.

The number of schools ranked by Ofsted as ‘Good or ‘Outstanding’ has increased since 2010 and England’s internationally ranked standings in Maths and English has improved. The number of children achieving a ‘good’ level of development in early years has also increased from 59 per cent in 2011<sup>896</sup> to 72 per cent pre-pandemic.<sup>897</sup>

Challenges, however, remain. Since the introduction of the pupil premium, the attainment gap did initially decrease, but later progress halted and more recently the gap has widened again. The government looks set to miss its target for reading, writing and maths skills of 90 per cent. As of September 2023, current levels are 59 per cent meeting the expected standard, a figure unchanged from 2022.<sup>898</sup> In 2022, 57 per cent of the most disadvantaged children left primary school without reaching the expected standard in reading writing and maths.<sup>899</sup>

This gap is evident in the percentage of pupils reaching the expected standard in reading, maths and science and as seen in Figure 13 below, the COVID-19 pandemic has meant less pupils are reaching the expected standard, which is notable for those who are disadvantaged.<sup>900</sup> It is necessary to highlight that data for 2019-20 and 2020-21 was not available.

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896 Department for Education, Early Years Foundation Stage Profile Results in England, 2010/11, October 2011

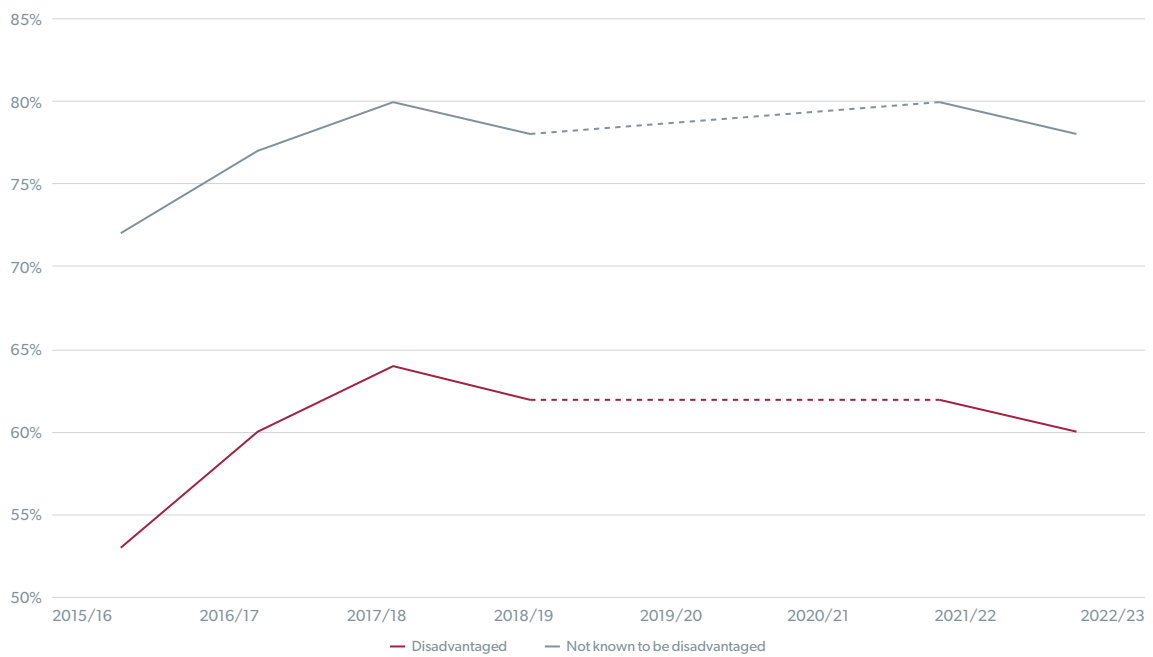
897 Department for Education, Early Years Foundation Stage Profile Results in England, 2019, October 2019

898 Department for Education, Academic Year 2022/23, Key Stage 2 Attainment, September 2023

899 CSJ, Cracks in our Foundation, February 2023, p. 6

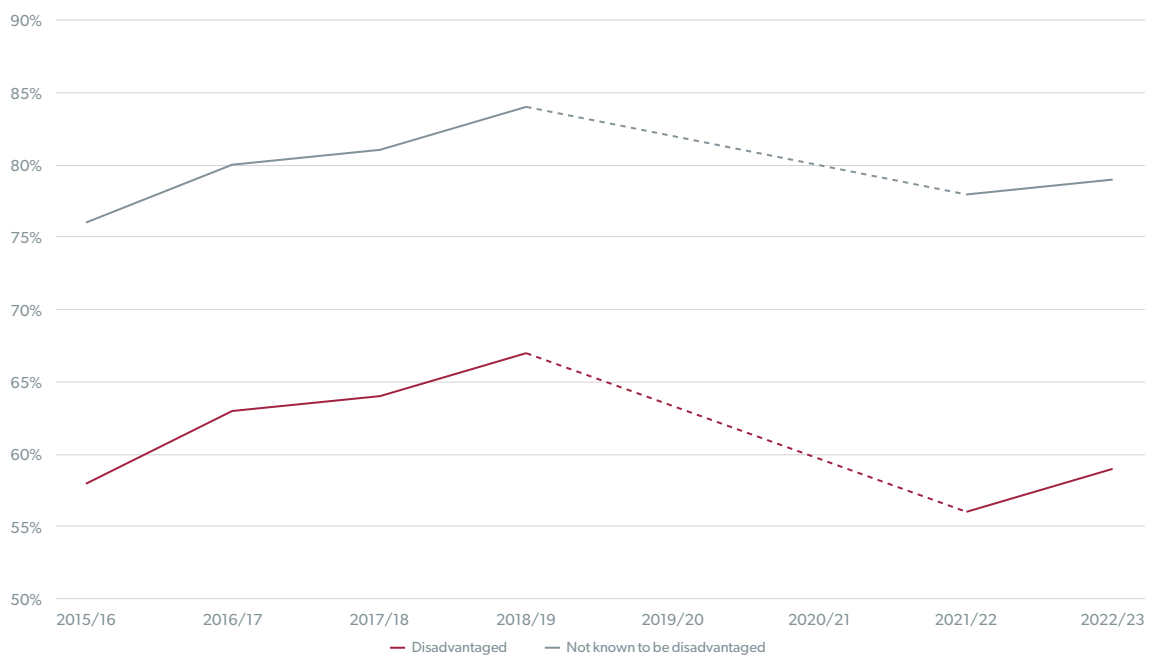
900 Department for Education, Key Stage 2 Attainment, September 2023

Figure 13: Percentage of Pupils Reaching Expected Standard in Reading



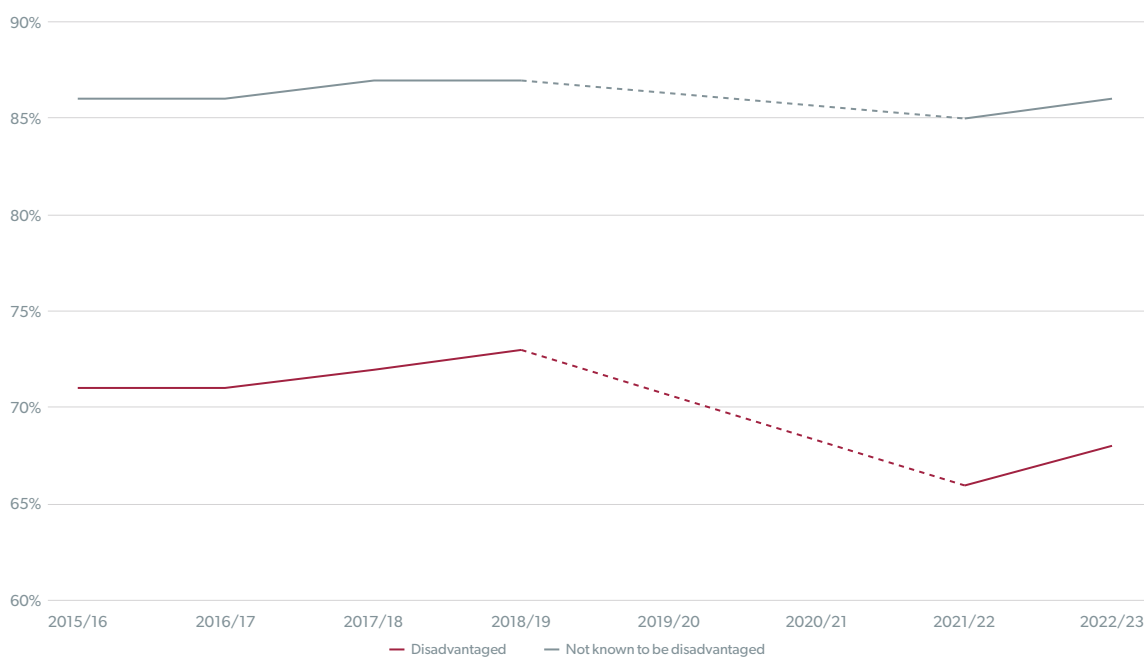
Source: Department of Education, CSJ analysis of Key stage 2 attainment

Figure 14: Percentage of Pupils Reaching Expected Standard in Maths



Source: Department of Education, CSJ analysis of Key stage 2 attainment

Figure 15: Percentage of Pupils Reaching Expected Standard in Science



Source: Department of Education, CSJ analysis of Key stage 2 attainment

As per the three figures above, the decline in attainment for the most disadvantaged KS2 leavers has been much more significant than for non-disadvantaged pupils. Indeed, the most significant fall was in maths attainment, disadvantaged children meeting the expected standard dropped by 11 percentage points from 2018/19 to 2021/22, as per Figure 14.

## The Impact of School Closures on Attainment

The closure of schools during the COVID-19 pandemic has had an inestimable impact on children and young people’s academic performance and attainment. Evidence from the Education Endowment Foundation found that the pandemic disruption negatively affected all pupils’ attainment, particularly disadvantaged pupils and children in Key Stage 1.<sup>901</sup> Although children and young people were supported to learn from home through online classrooms and being set work, many struggled to engage in this way and the quality and quantity of teaching did not match what could have been delivered face to face, despite many teachers’ best efforts.

A 16-year-old in North Tyneside, told the Commission in March 2023, *“I don’t see home as a place to learn and work. I just can’t learn online; I just couldn’t do it. I was doing all the lessons, but nothing was going in. I’m about to sit my GCSEs there are so many things I don’t know; I don’t have time to take it in.”*

901 Education Endowment Foundation, *The Impact of COVID-19 On Learning: A Review of The Evidence*, May 2022

# School Absence

## Attendance and Engagement

The impact of school closures for some children has been devastating, creating a permanent severance between schooling and compulsory attendance. Rising mental ill health, social anxiety and a break in routine meant that many children effectively did not return to school after the pandemic. Severely absent children are those who are out of school for more hours in a week than they attend. The CSJ has found that in Spring 2023, 140,706 pupils were severely absent from school, a rise of 133.6 per cent since the pandemic.<sup>902</sup> Although this represents the most severe cases, over 1.48 million children are persistently absent (that is absent for ten per cent of school time, equivalent to missing one afternoon every week) which amounts to a fifth of the entire pupil population (20.58 per cent).<sup>903</sup>

Figure 16: School Absence (persistent and severe, over time)



Source: Department for Education, CSJ analysis of Pupil absence in schools in England

902 The Centre for Social Justice, School Absence Tracker, October 2023, p. 1

903 Ibid

As well as children not being on the school premises, the Commission was also told of absence within the school gates, with little expectation on some disadvantaged pupils to actually attend lessons if they were engaging in disruptive or non-engaging behaviour.

A charity working with children disengaged from school contributing to the Big Listen Wales said, *“With the education system now, there’s a lot of young people who are on half timetables, so there’s even more time where they’ve got nothing to do.”*

A 2021 report for the Social Mobility Commission found that ‘a school’s absence rate is the strongest predictive factor of the progress made by its pupil premium students.’<sup>904</sup> Despite this, disadvantaged children continue to be disproportionately likely to be absent from school. In Autumn term 2022, children who are in receipt of free school meals (FSM) had a severe absence rate which was more than triple the rate for children who were not eligible for FSM.<sup>905</sup>

Research by the Department for Education has showed the impact absence can have on attainment. The Department uncovered that just one day of education missed can have an impact on a child’s GCSE results<sup>906</sup>. Further research concluded that pupils who did not achieve the expected standard in reading, writing and maths in 2019 had an overall absence rate of 4.7 per cent over the key stage, compared with 3.5 per cent among pupils who achieved the expected standard and 2.7 per cent among those who achieved the higher standard.<sup>907</sup> Pupils who did not achieve grade 9 to 4 in English and Maths GCSEs in 2019 had an overall absence rate of 8.8 per cent over the key stage, compared with 5.2 per cent among pupils who achieved a grade 4, and 3.7 per cent among pupils who achieved grade 9 to 5 in both English and Maths.<sup>908</sup> 2018 analysis by the Department for Education also found that, when looking at the NEET cohort for the year, those who had been absent for over 10 per cent of KS4 were vastly over-represented when compared to the year’s entire cohort.<sup>909</sup>

More recent analysis by the CSJ of Department for Education and Ministry of Justice data found that persistently absent pupils are more than three times as likely to commit an offence by aged 17 than pupils fully attending school.<sup>910</sup> CSJ analysis has shown that existing absence rates risks creating almost 6,000 extra young offenders by 2027, a little under 1,500 more young violent criminals, which could cost the taxpayer an additional £70 million for 2025 school leavers alone.<sup>911</sup>

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904 Social Mobility Commission, *Against the Odds*, June 2021, p. 7

905 CSJ, *School Absence Tracker*, October 2023, p. 1

906 Department for Education, *Just One Day Off Can Hamper Children’s Life Chances*, March 2016

907 Department for Education, *The Link Between Absence and Attainment at KS2 And KS4*, May 2022

908 *Ibid*

909 Department for Education, *Characteristics of Young People Who are Long-term NEET*, February 2018

910 CSJ, *School Absence Risks Tidal Wave of Youth Crime, CSJ Analysis Reveals*, 2023

This includes CSJ analysis of Department for Education and Ministry of Justice, *Education, Children’s Social Care, And Offending: Descriptive Statistics*, 202

911 CSJ analysis of Department for Education and Ministry of Justice, *Education, Children’s Social Care, And Offending: Descriptive Statistics*, 2022; Department for Education, *National Pupil Predictions: July 2022*, 2022; Department for Education, *Pupil Absence in Schools In England 2021-2022*, 2023; Department for Education, *Schools, Pupils, And Their Characteristics*, 2023; Department for Education, *Pupil Absence In Schools In England: Autumn Term 2022*, 2023



## School Exclusions

Children receiving free school meals, a measure of disadvantage, are also disproportionately likely to be suspended or excluded from school. In previous years, the rate of permanent exclusion for pupils eligible for free school meals has remained steady at four times the rate of permanent exclusions for pupils not eligible for free school meals. However, for 2021/22 the pupils eligible for free school meals are now five times more likely to be excluded than their counterparts. Pupils eligible for free school meals in 2021/22 were 3.8 times more likely to receive a fixed-term exclusion than pupils not eligible.

These figures are further reflected when considering the characteristics of pupils in Alternative Provision (AP). 58 per cent of pupils in state-maintained AP are eligible for free school meals, more than double the rate of children eligible in state-funded secondary schools (23 per cent). While many APs across the country are supporting the most vulnerable children well CSJ research revealed that this is not the case for every child.

CSJ research uncovered local authority areas where not a single child in AP had achieved their Maths and English GCSE and even areas where not a single teacher in AP was qualified.<sup>912</sup> While 64 per cent of children in state-funded secondary schools achieved their Maths and English GCSE, only 4 per cent in AP achieved this. The research found that there was no area in the country where the rate of young people not in education, employment or training (NEET) after leaving AP equals even the very worst-performing area for children from mainstream.

Being excluded from school not only increases the likelihood of becoming NEET, but also of earning lower wages<sup>913</sup> and has a significant effect on mental health and wellbeing. The most disadvantaged pupils in AP are largely missing out on the same opportunities as presented to those in mainstream school, to leave education with skills, qualifications and move into secure employment.

## Parental Engagement

One of the most important resources needed to learn is a secure and supportive family who take interest in the education of a child, which can often transcend parental income or school quality.<sup>914</sup> A study from the Department for Education has shown that parental participation has a significant positive impact on a child's educational success, even after all other factors which shape attainment have been accounted for.<sup>915</sup> Research from the Education Endowment Foundation shows that those with engaged parents are 39 per cent more likely to attain a good level of achievement than those without. Parental engagement can improve the educational attainment of their child. Evidence also uncovered that the impact of parental engagement is higher for pupils with low prior attainment. Engaging parents as early as possible in their child's life reaps dividends. Engagement of parents when their child is in primary school has a greater impact on academic progress in primary school than later in education.<sup>916</sup>

Despite the importance of parental engagement, UK parents are below the international average for helping their children with homework spending only 3.6 hours a week supporting their children with schoolwork, compared to the global average of 6.7 hours.<sup>917</sup>

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912 CSJ, Warming the Cold Spots of Alternative Provision: A manifesto for improvement, May 2020, p. 5

913 Madia, J., Obsuth, I., Thompson, I., Daniels, H., Murray, A., Long-Term Labour Market and Economic Consequences of School Exclusions in England: Evidence from Two Counterfactual Approaches, February 2022, p. 801

914 Department for Education, Review of Best Practice in Parental Engagement, September 2011

915 Department for Education, Review of Best Practice in Parental Engagement, May 2010, p. 3

916 CSJ, Cracks in our Foundations, February 2023, p. 24

917 Varkey Foundation, Global Parents' Survey, 2018

## Equipping Young People with Skills for Life

The Social Justice Commission found that many young people are leaving education unprepared for the world of work. Not all students will want or be able to enter an academic career path or attend university, but the Commission heard that awareness and access to high-quality vocational options such as T-levels, apprenticeships or traineeships remain limited.

The impact of disadvantage on education is visible at every stage. Pre-pandemic research by IFS and the Nuffield Foundation found that the attainment gap is already entrenched by the time a pupil starts school. Just 57 per cent of English pupils eligible for free school meals reached a good level of development at the end of Reception in 2019, compared with 74 per cent of their better-off peers.<sup>918</sup>

A significant number of the most disadvantaged children are not meeting minimum standards in primary school. By the end of primary school, in 2022/23, 43 per cent children eligible for free school meals reached the expected standard in reading, writing and maths (combined) in key stage 2, compared to 65 per cent of their peers.<sup>919</sup> Education Policy Institute (EPI) analysis in 2022 indicated that the disadvantage gap at the end of primary school increased to 10.3 months – the second largest gap since their analysis started in 2011.<sup>920</sup>

The gap continues into secondary school. In 2022/23, at key stage 4 level, 42.7 per cent students eligible for free school meals achieved grades 4 or above in English and Maths GCSEs, compared to 71.3 per cent students not eligible for free school meals.<sup>921</sup> Analysis of the previous year's results, 2021/22, indicates that the disadvantage gap in GCSE English and Maths widened to 18.8 months in 2022, its largest since 2012.<sup>922</sup>

The disadvantage gap is evident in university applications too. UCAS analysis of university applications in 2022 found that 28.8 per cent students living in the most disadvantaged areas in the UK applied for university, compared to 59.5 per cent of their peers.<sup>923</sup> While this represented a slight narrowing of the gap on previous year, UCAS recently warned that increasing competition could result in more disadvantaged students missing out on university offers in the future.<sup>924</sup>

## Challenges Facing Schools

Schools told the Commission that they are under increasing pressure to address the social needs of pupils, alongside the existing targets of academic progress. One charity leader told the Commission, *"I used to work in a school for 15 years. The pressure on teachers is unbelievable. Teachers have to revert to simple 'naughty' versus 'not naughty' analysis. There's no capacity to ask the 'why' questions or consider what support is available."*

The Commission also learnt about the pressure schools are under due to the challenges of staff retention. Teaching quality is a key determinant in academic achievement but the increase in substitute teaching, especially in more deprived areas, is cause for concern due to the lack of stability and relationship between student and pupil. Analysis by Schools Week uncovered that in the 2021/22

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918 IFS, Lack of Progress on Closing Educational Inequalities Disadvantaging Millions Throughout Life, August 2022

919 Department for Education, Academic Year 2022/23, Key Stage 2 Attainment, September 2023

920 EPI, Annual Report 2023, October 2023

921 Department for Education, Academic Year 2022/23, Key Stage 4 Attainment, October 2023

922 EPI, Annual Report 2023, October 2023

923 The Guardian, Record Numbers of Disadvantaged UK Students Apply for University, 14 July 2020

924 The Independent, More Poorer Students Could Receive No University Offers as Demand Grows, UCAS, 22 June 2023

schools year, maintained schools spent £171 per pupil on supply costs, up from £160 per pupil in 2019.<sup>925</sup> Polling by Teacher Tapp found that 49 per cent of teachers surveyed said they had a class led by a short-term temporary, agency or non-qualified teacher and 57 per cent said non-teachers were covering planning, preparation and assessment time.<sup>926</sup> Schools Week analysis found that vacancies in secondary school teacher vacancies have increased by 40 per cent between the 2020-21 and 2022-23 academic years.<sup>927</sup>

Deprived areas are more likely to be struggling with teacher recruitment.<sup>928</sup> This is despite research that concluded ‘over a school year, [disadvantaged] pupils can gain 1.5 years’ worth of learning with very effective teachers, compared with 0.5 years with poorly performing teachers.’ In effect, for disadvantaged pupils the quality of teaching can make the difference of a whole year’s worth of learning.<sup>929</sup>

Another area where the most disadvantaged pupils fall behind their counterparts is in extracurricular activities. Enrichment and extended school time has been linked with increased attendance, improved behaviour, better relationships with peers, confidence and happiness.<sup>930</sup> However, children from disadvantaged backgrounds are less likely to take part in extra-curricular activities and enrichment. One out of five primary and secondary school pupils do no extra-curricular activities, and this rose to one out of four pupils for children and young people from disadvantaged backgrounds.<sup>931</sup>

In polling conducted by CSJ and YouGov, parents from lower socio-economic backgrounds were significantly more likely than those from higher socioeconomic backgrounds to respond that their child does no enrichment activities in an average week. The polling also reveals a regional disparity in participation in enrichment activities.<sup>932</sup> Research by the Sutton Trust found that the proportion of senior school leaders reporting specific items or activities – including trips and sports activities – have been cut in their school for financial reasons has increased, with schools with the most disadvantaged intakes most likely to report cutting back on trips and outings.<sup>933</sup>

Children from more disadvantaged background are also on average less physically active. Only 42.5 per cent of children from deprived families met the Chief Medical Officer’s guidelines of taking part in 60 minutes of sport or physical activity per day, compared to 52 per cent of children from more affluent families. Activity levels for schools in the most deprived areas have dropped 2.8 per cent from pre-pandemic levels.

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925 Schools Week, In Short Supply: Cover Costs Soar as Teacher Shortages and Illness Bite, 12 January 2023

926 Schools Week, 7 Bleak Findings That Show School Recruitment Crisis Is Intensifying, 8 June 2023

927 Schools Week, 7 Bleak Findings That Show School Recruitment Crisis Is Intensifying, 8 June 2023; Jacobs, N., Teacher Recruitment Issues ‘Hit Deprived Areas Most’, Children & Young People Now, July 10, 2019

928 Jacobs, N., Teacher Recruitment Issues ‘Hit Deprived Areas Most’, Children & Young People Now, July 10, 2019

929 Social Mobility & Child Poverty Commission, Cracking the Code: How Schools Can Improve Social Mobility, October 2014

930 CSJ, A Level Playing Field: Why We Need a School Enrichment Guarantee and How to Deliver It, August 2021, p. 7

931 CSJ, Game Changer: A Plan to Transform Young Lives Through Sport, September 2023

932 CSJ, A Level Playing Field: Why We Need a School Enrichment Guarantee and How to Deliver It, August 2021, p. 2

933 Sutton Trust, School Funding and Pupil Premium 2023, 2023

“The welfare society has been breaking down on the margins, and the social fabric of many communities is being stripped away. Although this has been increasingly accepted by commentators and academics in recent years, a defensive complacency, akin to attitudes towards Britain’s industrial decline in the 1970s, has characterised our reaction to this problem. Too many either do not care or feel powerlessness to do anything about it...

...We need a system that understands that while material deprivation must continue to be dealt with, poverty isn’t just an issue of money; while money is important, so is the quality of the social structure of our lives. To improve the wellbeing of this country it is necessary that we help the people of Britain improve the quality of their lives or we will all become poorer.”

**Rt Hon Sir Iain Duncan Smith MP**

Breakdown Britain

December 2006



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