Repairing our society

A social justice manifesto for a thriving Britain

July 2022



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Executive Summary

In 2022 our society is in need of repair.

The next Prime Minister faces an unenviable in-tray of urgent domestic challenges. Stuttering economic growth. Public services gripped by backlogs. Soaring energy prices tearing household budgets apart. These are the immediate policy challenges any new leader must face.

Yet the pandemic and ongoing cost of living crisis have also exposed – and exacerbated – foundational weaknesses in our society. Many who were just about managing are no longer coping. The next Prime Minister must take equally seriously and address with equal energy the long-term repair work our country so urgently needs.

Family is the bedrock of our society. And yet the rate of marriage is at its lowest level since records began, according to the Office for National Statistics. This is despite overwhelming evidence showing that stable, two-parent families provide the best start in life for children. Half (49 per cent) of lone parent families are in relative income poverty — many children in this country are experiencing the impact of 'Dad deprivation'.

Personal finances were teetering well prior to the inflationary surge experienced in 2022. Over eight million people were found to be over-indebted by the Financial Conduct Authority in 2020, while official figures show a third of adults report having no savings at all.³ The number of people receiving Universal Credit has shot up from 2.9 million before the pandemic to 5.6 million.⁴ With thousands dropping out of the workforce – including over a quarter of a million more people aged 50-64 – many are losing out on the financial, social and health benefits of productive employment.⁵

Our education system is creaking in the fallout of the pandemic. The attainment gap has widened.⁶ Over 100,000 so-called 'ghost children' are severely absent from school.⁷ Ofsted report that children are beginning primary school woefully behind,⁸ while some nine million adults lack basic skills.⁹

Meanwhile, our social fabric is fraying at the edges. Alcohol deaths reached an historic high during the pandemic. Ochildren are being placed into care at record rates. And despite the progress made in 2020-21, thousands of people are trapped in a cycle of homelessness. It is perhaps no wonder that more than a third of people living on low incomes said they felt their community had lost a sense of pride in their local area in recent years.

¹ Office for National Statistics, Marriages in England and Wales: 2019, 2022

² Institute for Fiscal Studies, 'Pre-pandemic relative poverty rate for children of lone parents almost double that for children living with two parents', 2022

³ Financial Conduct Authority, Financial Lives Survey, 2021; Department for Levelling Up, Housing and Communities, English Housing Survey 2020-21, 2022, Annex Table 1.19

⁴ Department for Work and Pensions, <u>Stat-Xplore</u>, People on Universal Credit, 2022

⁵ Institute for Fiscal Studies, 'The rise in economic inactivity among people in their 50s and 60s', 2022

⁶ Education Endowment Foundation, COVID-19 Disruptions. Attainment gaps and primary school responses, 2022

⁷ Centre for Social Justice, Lost But Not Forgotten, 2022

⁸ Ofsted, Education recovery in early years providers: spring 2022, 2022

⁹ OECD, Raising the Basic Skills of Workers in England, United Kingdom, 2020

¹⁰ Office for National Statistics, Alcohol-specific deaths in the UK: registered in 2020, 2021

¹¹ Department for Education, Children looked after in England including adoptions, 2022

¹² Centre for Social Justice, Pillars of Community, 2021

Yet there is cause for great optimism.

For there is unlimited potential in our country. Today, there are 1.3 million vacancies – and businesses are hungrier than ever to harness the talent in our communities. There are 600,000 fewer children in workless households than a decade ago, with thousands more young people reaping the lifetime advantages of growing up seeing their parents go to work. And in the years leading up to the pandemic, the incomes of the poorest households were boosted by the rise in employment.

In the turbulence of the last two years we have witnessed the strength of our small charities, as community organisations served at the very heart of the local response to the pandemic – reaching vulnerable people the state could not get near – providing food parcels, human connection, and so much more. While some parts of the state strained under the demands of unprecedented pressure, Universal Credit delivered, and is widely recognised as one of the most advanced and sophisticated social security systems in the world.

It is the duty of the next Prime Minister to unlock this potential. Crucially, while tax cuts have emerged as a focal point of the ongoing leadership contest, it would be a profound mistake for our future leaders to look at the social breakdown in our nation and view this as a second order priority. Indeed, reducing the overall level of demand on the state depends on it.

On the mend: a plan for a stronger society

In light of diminishing fiscal headroom against existing targets, some have suggested that the Government will either need to cut public services or increase borrowing to account for multibillion-pound tax pledges. Others argue that an ageing population and rising health and social care costs spell an inevitable upwards creep of the tax burden. Given this, any incoming Prime Minister must take the financing of any tax cuts, and the question of where budgetary restraint will fall, very seriously.

But it is wrong to view this as solely a contest between cutting people's taxes and funding immediate spending requirements. The UK as a nation continues to devote eyewatering levels of public funds to filling the empty gaps in our society. If an incoming Prime Minister is serious about tackling these deep – and costly – social challenges, there are huge gains to be made in reducing the overall size of the state long-term.

The cost of family breakdown has been estimated by the Relationships Foundation to be £51 billion. ¹⁶ Reoffending costs £18 billion, ¹⁷ debt problems £8 billion, ¹⁸ while the cost to society of low numeracy alone is estimated at £20 billion per year. ¹⁹

If we want to reduce the scale and the need for public spending, we need a society made up of strong families and thriving communities. We need safer streets, more resilient finances, and to provide the very best start for children.

Many people who voted for Boris Johnson at the last election were from less affluent backgrounds than those who usually vote Conservative. It is essential that the next Prime Minister delivers for them – and that goes for Labour too. Indeed, there is clear appetite among the public for a leader with a plan to repair our society.

¹³ Office for National Statistics, Children in households by combined economic activity status of household members, 2022

¹⁴ Institute for Fiscal Studies, Living standards, poverty and inequality in the UK: 2021, 2022

¹⁵ Sheffield Hallam University, The 'Value of Small' in a Big Crisis: The distinctive contribution, value and experiences of smaller charities in England and Wales during the COVID 19 pandemic, 2022

¹⁶ Relationship Foundation, Cost of Family Failure Index, 2018

¹⁷ Ministry of Justice, Economic and social costs of reoffending, 2019

¹⁸ Step Change, Cutting the cost of problem debt, 2014

¹⁹ National Numeracy, Numerate nations? What the nation thinks about numbers, 2019

- In new nationally representative polling by Opinium conducted for the CSJ in July 2022, three in four (73 per cent) agreed that 'the next Prime Minister should announce a new plan to reduce poverty as a priority'.²⁰
- By two to one, the poll found the public agree that 'the next Prime Minister should announce a new plan to reduce family breakdown and build stronger families', with three in four (74 per cent) agreeing that 'reducing rates of family breakdown would help to tackle Britain's long-term problems'.²¹
- In earlier polling commissioned by the CSJ, we found that nearly half of UK adults said they would be in better shape financially if they had received more financial education.²²
- 87 per cent strongly supported the statement that every young person should grow up free of violence and the fear of violence.²³
- 76 per cent would be comfortable working alongside someone with a criminal record if they were qualified and had passed appropriate safeguarding.²⁴
- 50 per cent believe that feeling proud of their local area is necessary for a sense of belonging in a community, but only 36 per cent thought they had this right now.²⁵

Tax reform and social repair are not, after all, mutually exclusive. We believe there to be an extremely strong case for the next leader to undertake a wholesale review of the relationship between the family and the fiscal system. In the short term, tax allowances for couples with dependent children should be boosted to 100 per cent of the personal allowance. And our system of childcare subsidy should be reformed to give greater choice to parents in how they balance work with parenting.

A family-focused tax policy would be popular: over half of adults polled on this manifesto supported tax reforms which provide more financial support to married couples with children, compared to just one in five who disagreed.

But the next Prime Minister should go further. In this manifesto we set out a vision that would transform the prospects of those who are struggling most in our society. There are five key strands to this vision, which we summarise below.

1. Stronger families

- A new Office for Family and Cabinet level minister to drive family policy across Whitehall, including through a revamped Family Test
- Boosting the allowances for married couples with young children in the tax system
- Simplified childcare support to empower parents with more choice
- Rolling out Family Hubs across England

2. Safer streets

- Putting an end to gang-related crime by embedding the Group Violence Intervention (GVI) model
- A national mission to tackle child sexual abuse and exploitation
- Attacking anti-social behaviour through sustainable youth provision
- Restoring control, order and hope to our prisons
- Unlocking the potential of family to cut reoffending

^{20 2,000} GB adults, 14–15 July 2022, weighted to be nationally representative, Opinium for the Centre for Social Justice

²¹ Ibid

²² Centre for Social Justice, On the Money: A roadmap for lifelong financial learning, 2022

²³ Centre for Social Justice, It Can Be Stopped, 2018

²⁴ Centre for Social Justice, <u>Prisoner Employment Call for Evidence</u>, 2022

²⁵ Centre for Social Justice, Pillars of Community, 2021

3. A brighter start

- Extending the school day with an enrichment guarantee
- Narrowing the attainment gap through re-focused tutoring
- Getting 100,000 'severely absent' pupils back at school with attendance monitors
- Reforming and boosting apprenticeships with greater public funding and employer incentives

4. Resilient finances

- Ensuring work pays through a £730 million effective tax cut for the poorest workers
- Universal Support to help thousands distant from the labour market into work
- Overhaul financial education across the lifespan, using the £560 million committed to adult skills
- Clamping down on illegal money lenders, and providing the alternative by cutting red tape which prevents credit unions from modernising
- Promoting the Help to Save scheme to build resilient family finances

5. Thriving communities

- Transforming 'left behind' places through a radical Hub Street approach
- Harnessing the small charity sector to deliver for local communities
- A new generation of Living Homes to alleviate the hidden housing crisis
- Rolling out Housing First across England to break the cycle of rough sleeping
- Leaving no one behind new statutory protections against 'cuckooing' and a drugs strategy ensuring everyone gets the treatment they need

1. Stronger families

Family is the bedrock of society. Yet in Britain today, family life is under serious threat.

The evidence is clear that family breakdown underpins multiple national emergencies – from our mental health crisis to the growth in loneliness.²⁶ It is a key factor in problems from educational failure to homelessness.²⁷ It doubles a child's chances of growing up in poverty,²⁸ and stifles the work prospects of their parents.

The effects of family breakdown are felt in the welfare system as well as among parents and children. Over 70 per cent of families with children in receipt of Universal Credit are lone parent families, and six out of seven lone parents are eligible for means-tested benefits.²⁹ If a fraction of the funding needed to absorb the consequences of family breakdown were invested in preventing it, this significant driver of welfare dependency could be reduced.

The UK is now a world leader in family breakdown. In the last decade the marriage rate has slumped to less than half of its previous lowest point since records began in 1862.³⁰ Meanwhile, recent estimates put the cost of family breakdown to our society at £51.1 billion per annum.³¹ This cannot go on.

The more families are under pressure, the more children will suffer and not only in terms of their emotional and cognitive development but also nutrition and health. The rising stresses in life will take over.

CSJ Alliance charity, Wallasey, Merseyside

New polling for the CSJ suggests the public demand change. Three quarters (74 per cent) agree that 'reducing rates of family breakdown would help to tackle Britain's long-term problems'. ³² By two to one, the poll found public support for the statement 'the next Prime Minister should announce a new plan to reduce family breakdown and build stronger families'. ³³

Furthermore, our childcare system is ripe for reform. Only half of all eligible parents take up the extended 30-hour childcare entitlement, and uptake is even lower for Tax Free Childcare and the childcare element of Universal Credit. The incentives arising from the public funding model here are misaligned, with the priority being given to encouraging second earner parents back into the workplace as soon as possible, rather than facilitating parental choice. Polls consistently show that parents of pre-school children would rather work less, not more – and on average want to prioritise spending more time with their children at a young and crucially important age.³⁴ The Prime Minister should overhaul and simplify the UK childcare offer, placing empowering parental choice at the heart of our childcare system.

Strengthening families must be at the core of the new Government's plan to repair our society.

²⁶ M Wolpert and P Martin, THRIVE and PbR: Emerging thinking on a new organisational and payment system for CAMHS, New Savoy Partnership Conference, London, 2015; Age UK, All the Lonely People: Loneliness in Later Life, 2018

²⁷ Centre for Social Justice, Why Family Matters, 2018; Office for National Statistics, Past experiences of housing difficulties in the UK: 2018, 2020

²⁸ Institute for Fiscal Studies,, 'Pre-pandemic relative poverty rate for children of lone parents almost double that for children living with two parents', 2022

²⁹ https://www.gov.uk/government/statistics/universal-credit-statistics-29-april-2013-to-12-may-2022

³⁰ Office for National Statistics, Marriages in England and Wales: 2019, 2022

³¹ Relationship Foundation, Cost of Family Failure Index, 2018

^{32 2,000} GB adults, 14–15 July 2022, weighted to be nationally representative, Opinium for the Centre for Social Justice

³³ Ibio

³⁴ CSJ polling showed that More than 1 in 3 full-time working mothers would prefer to work part-time or not at all (36 per cent); more than a quarter of all full-time working parents would rather be working part-time or not working at all (27 per cent); 3 in 5 of all parents of pre-school children would rather work part-time or not work at all (61 per cent), CSJ polling / SevantaComres 2019

The next Prime Minister should:

1. Put family at the heart of Government

As a matter of urgency, the Prime Minister should create a Government Office for Family, attaching this new responsibility to the work of a Cabinet level Minister for Family. A new Office for Family should ensure family is part of every policy conversation – and maintain a rigorous application of the Family Test for all new policies. The Government Office for Family should have its own dedicated budget and Civil Service team to work across government.

2. Ensure the tax system is family friendly

The UK is an international outlier in not recognising family in the tax system, taxing couples with children as though they are individuals, and not recognising economic dependents. This means we do not incentivise stable families through the tax system. In practice, a one-earner household with four children has to earn nearly £80,000 to have the same standard of living as a single person earning £27,000.35 A married couple earning the average household salary pays around 14 per cent of their income in tax in the UK, compared to just 4 per cent in the USA and 1–2 per cent in Germany.36 The next Prime Minister should review the interaction of family and the fiscal system, ensuring that family and children are recognised, and significantly boost the Marriage Allowance to allow a couple to share 100 per cent of their personal income tax allowance.

3. Put childcare choices in the hands of parents

The childcare system in the UK is an expensive patchwork, costing both families and the state large sums. The Government spends around £5.6 billion funding childcare and early years, yet two-thirds of families say they are paying as much or more for childcare as they are for their mortgage or rent.³⁷ At the same time, our funding model is not well targeted; families with a combined income of up to £200,000 per year can qualify for Tax Free Childcare (TFC) and the 30-hour entitlement.

Over time, the UK childcare policy landscape has drifted towards a rarely stated goal – the maximisation of tax receipts, through encouraging parents back into work. Yet CSJ polling shows that more than one in three full-time working mothers would prefer to work part-time or not at all (36 per cent), and more than a quarter of all full-time working parents would rather be working part-time or not working at all (27 per cent). Three in five of all parents of pre-school children would rather work part-time or not work at all (61 per cent), many seeking to spend time with their children at this young and crucially important age.³⁸ Clearly, Government objectives and the preferences of parents are not aligned.

The new Prime Minister should urgently review, reform and simplify childcare support, with bespoke mechanisms for parents in receipt of Universal Credit and those who are not. For those on UC, who will be encountering conditionality after their child is three years old, 100 per cent of childcare costs should be available through their UC award (up from 85 per cent at present). Furthermore, those claiming childcare through UC should be able to submit an invoice from a provider via the Universal Credit online portal so the DWP can then pay providers directly, rather than claimants being reimbursed in arrears. This would prevent claimants on UC from facing up-front childcare payments. For those not in receipt of UC, a flexible voucher system should be implemented, allowing families to choose between the 30-hour extended entitlement and a cash family allowance at a percentage of the value of the entitlement, subject to a maximum household income cap of £100,000 per year. This way, parents and informal carers can be supported through our childcare subsidy framework as well as formal childcare setting.

³⁵ Tax and the Family and Care, The Taxation of UK Families, 2021

³⁶ Tax and the Family, 'Who Bears the Heaviest Tax Burdens?', 2021

³⁷ Huffington Post, 'Childcare Is Costing Families More Than Their Rent Or Mortgage', 2022,

³⁸ CSJ polling, 2019 (Sevanta/ComRes)

4. Advance the national roll out of Family Hubs

The Government should continue and complete the roll out of Family Hubs to all local authorities. These provide a one-stop-shop for aiding children's health and wellbeing, improving relationships, and helping to reduce parental conflict. The Government has pledged £18 million in funding for 2023-24; we support the doubling of this funding to £36m, taking a "test and learn" approach towards the initial 75 local authorities through the Evaluation Innovation Fund.

5. Boost the support for parents with new-borns

The UK economy is suffering from a labour market shortage due to economic inactivity. One potential source of labour is parents who have chosen to exit the labour market due to lack of employment flexibility. For too many parents, fulfilling parental responsibilities and returning to work can become an either/or decision. To allow parents to better combine parental responsibilities with work the Government should overhaul the paternity and maternity leave system to incentivise companies to offer fully shared parental leave packages with more generous compensation offers.

6. Harness the health service to tackle domestic abuse

The new Prime Minister should also better harness the health service to tackle the scourge of domestic abuse. Only one in five victims report it, and prosecutions are extremely low. Victims' main point of engagement with the state is usually via the health service; GPs, nurses and health visitors should be properly trained in the identification and reporting of domestic abuse, so that health-based and criminal justice-based responses can be joined up.

7. Adopt a Family First approach to adult social care

Adult social care is one of the biggest social security and public spending challenges facing the country. This is driven by a range of factors, some cultural, some economic. The UK as a society is also heavily reliant on formal care settings. The UK social care funding model should be reformed to empower families to draw upon relatives and extended family where possible and where desired, with much greater recognition for informal carers in the funding model. In Singapore, a legal duty of maintenance and care exists towards a person's parents as well as their children.³⁹ There is a similar duty in France and other civil law jurisdictions.40

In the absence of a legal or cultural default of caring for one's own parents in old age, and given the housing limitations that prevent many from making this practicable, there should be a clear publicly funded support and incentive package for informal caring to make family-based care more feasible for a greater number of families. At £69.70 a week, the existing Informal Carers' Allowance is almost exactly one tenth of the average cost of a local authority-funded care home place for someone over 65 (£679 a week). There is clear room for a rebalancing of the funding allocation between formal and informal settings.

³⁹ Singapore Legal Advice, 'Maintenance of Parents: Your Child's Duties and How to File', 2021

⁴⁰ The Connexion, 'You are obliged to look after parents', 2016

2. Safer streets

Many people feel unsafe walking the streets of their own communities.⁴¹ Some 900 knife offences took place every week in the last year,⁴² sexual offences are at the highest annual level on record,⁴³ and despite having fallen since the mid noughties, anti-social behaviour continues to blight communities across the nation.⁴⁴

But while anyone can be a victim of crime, it is those at the lower end of the income spectrum who are most susceptible to its devastating effects. It was reported in July 2022 that 1,000 children – including many from extremely disadvantaged backgrounds – had been abused by sexual grooming gangs in Telford alone during decades of reported failings by police and authorities. We must do more to ensure the police are fulfilling their primary duty to protect the public, and particularly the most vulnerable.

We must also begin upstream, by better harnessing the education system and community groups to put a halt to criminal activity such as anti-social behaviour before it begins. So far, however, opportunities to introduce transformative and sustainable youth provision, including the £500 million pot announced by the Government in 2019, have been squandered.

It's a difficult truth to face but some of the gangs genuinely do provide things that these children and young people need. The young person might finally have an adult male role model who takes an interest in them, and who stands by them...

CSJ Alliance charity, London

Indeed, our entire criminal justice system must perform better for those passing through its doors and their communities. Our prison system is in disarray. Too many are awash with drugs and have low levels of basic safety and decency. A recent report by the Chief Inspector found that 14 per cent of men and 12 per cent of women had acquired a drug problem while in prison.⁴⁵ At the same time, there is insufficient rehabilitative activity across the entire prison estate, with many prisoners still being kept in their cells for 22 hours or more each day.⁴⁶ We must urgently restore control, order and hope to our prisons.

The cost of our failure to rehabilitate is stubbornly high national rates of reoffending. Two in five of all adults serving a custodial sentence go on to reoffend within a year of release, while for those with a custodial sentence of less than 12 months, this rises to two in three.⁴⁷ But despite its immense potential to reduce reoffending, the role of family remains an afterthought in the system. And too many prison leavers face insurmountable barriers to the rehabilitative benefits of education and employment.

This cycle of crime exacts an immeasurable toll on society and above all its victims. The Government puts the cost of reoffending alone at £18.1 billion every year 48 – more than the entire police budget.

⁴¹ Office for National Statistics, Perceptions of personal safety and experiences of harassment, Great Britain, 2022

⁴² Office for National Statistics, Crime in England and Wales: year ending 2021, 2022

⁴³ Ibid

⁴⁴ Ibid

⁴⁵ HM Chief Inspector of Prisons for England and Wales, <u>Annual Report 2019-20</u>, 2020

⁴⁶ HM Chief Inspector of Prisons for England and Wales, Annual Report 2020-21, 2021

⁴⁷ Ministry of Justice, <u>Proven Reoffending Tables (3 monthly)</u>, April 2020 to June 2020, 2022

⁴⁸ Ministry of Justice, Economic and Social Cost of Reoffending, Analytical Report, 2019

The next Prime Minister should:

1. Put a stop to gang-related violence

There were 235 murders involving a knife or sharp instrument in England and Wales in 2021, while 27 teenagers were murdered with a knife or sharp object in London alone. 49 Gang-related violence accounts for nearly a quarter of homicides in the capital.⁵⁰ Noteworthy progress has been made by the Government through the rollout of the Violence Reduction Units (VRUs) in 18, and soon to be 20, police forces across England and Wales. The Group Violence Intervention (GVI) model, which was first piloted in Glasgow and Cincinnati, must be made fundamental to the work of VRUs, and Government should be ready to roll out the use of Serious Violence Reduction Orders as soon as ongoing pilots are conclusive.

2. Make tackling child sexual exploitation a national mission

The existence of so-called grooming gangs is a scourge on our society. The Government should immediately establish a Cabinet committee on child sexual abuse and exploitation (CSAE) to implement the full suite of recommendations from the Commission on CSAE and coordinate their delivery across Whitehall.51

3. Divert young people away from anti-social behaviour

We are currently experiencing an epidemic of gang violence with some 60,000 young people aged 10-17 identifying as a gang member or knowing a gang member as a relative.⁵² Meanwhile postpandemic, 58 per cent of youth clubs are operating at reduced level.⁵³ Through school day extension for organised co-curricular enrichment (see below, p.12), with a focus on sport, young people can be engaged in productive, structured and beneficial activity that has been shown to improve attainment but will also help to keep young people off the streets and away from criminality.⁵⁴ Government should also establish a long-term National Youth Infrastructure Fund to ensure the sustainability of highquality youth clubs which, at their most effective, provide a critical diversion away from anti-social behaviour, but remain inefficiently funded.55

4. End the plague of drugs in our prison estate

It is an indictment on our criminal justice system that people are acquiring drug addictions in prison. The rollout of body scanners and wastewater analysis to all closed prisons in England and Wales is a longstanding CSJ recommendation that has proven effective in reducing the flow of prohibited drugs and other items into establishments in several countries. However, while the Government has committed £100 million to body scanners and reportedly begun to use wastewater analysis in a limited number of prisons, this must be rolled out properly across our entire estate to stem the flow of drugs into our prisons.

⁴⁹ Office for National Statistics, Homicide in England and Wales: year ending March 2021, 2022

⁵⁰ Metropolitan Police Service, Gangs Violence Matrix quarterly reports, 2022

⁵¹ Centre for Social Justice, Unsafe Children, 2021

⁵² National Youth Agency, <u>Hidden in Plain Sight</u>, 2020

⁵³ UK Youth, The impact of Covid-19 on England's youth organisations, 2021

⁵⁴ Centre for Social Justice, A Level Playing Field, 2021

⁵⁵ CSJ, Community Capital, 2019

5. End our reliance on short-term custodial sentences

With stubbornly high reoffending rates, we need to rethink our use of custody and adopt a rehabilitation-focused strategy for prolific and 'low-level' offenders. The CSJ has proposed the piloting of a new sentence type: the Intensive Control and Rehabilitation Order (ICRO), based on effective international models. The ICRO uses strict electronic monitoring, curfew requirements and regular reviews to help low-level offenders break out of the cycle of crime. Research from the Ministry of Justice shows that, even when controlling for background variables, including offending histories, rates of reoffending are higher among those sentenced to immediate custody than those sentenced to a community or suspended sentence order.⁵⁶

6. Harness the power of family in the criminal justice system

While multiple governments have committed to harnessing the power of family to change lives in the system, these sound intentions have rarely translated into meaningful change on the ground. This is despite the fact that the odds of reoffending are 39 per cent lower for a prisoner who receives visits from a partner or family member than for a prisoner who does not.⁵⁷ The full roll out of the recommendations contained within the Golden Thread must take place, including the recognition of the profound impact that imprisonment has on children of prisoners.

⁵⁶ Ministry of Justice, The impact of short custodial sentences, community orders and suspended sentence orders on reoffending, 2019

⁵⁷ Ministry of Justice, Lord Farmer, The Importance of Strengthening Prisoners' Family Ties to Prevent Reoffending and Reduce Intergenerational Crime, 2017

3. A brighter start

The impact of school closures during the pandemic has been devastating, creating a learning and development backlog in need of serious redress. Any impairment of school progress is more severe for already disadvantaged pupils.⁵⁸ Lost learning for disadvantaged pupils was around 50 per cent higher than for other pupils in the 2020-21 academic year.⁵⁹

Yet educational injustices were already there before the pandemic. At just three years old, disadvantaged pupils are almost 1.5 years behind their more affluent peers in early language development.⁶⁰ 40 per cent of the GCSE attainment gap has already emerged by the time a child starts reception.⁶¹

There is a serious risk, then, of pre-existing educational divides widening irreparably unless the incoming Government is prepared to be bold in tackling the educational backlog and the attainment gap.

Shockingly, research by the CSJ found that over 100,000 pupils are now 'severely absent' from school, meaning they are out of school more than they are present – up nearly 50 per cent compared to pre-pandemic levels. ⁶² The incoming Prime Minister will need to take steps to tackle this problem of school absence if there is any chance of starting to close the gap exacerbated by school closures.

We must look at underlying reasons why children aren't in school, issues outside school gates, such as poverty, poor housing, worklessness, domestic abuse & substance misuse.

CSJ Alliance charity, Blackpool

One key way in which disadvantaged pupils can have the opportunity to progress and catch up is through an extended school day and an enrichment guarantee. On average, pupils make an additional two months' progress per year through the targeted use of before- and after-school programmes. For disadvantaged pupils, this benefit is even greater – closer to three months' additional progress. The new Prime Minister should seize the opportunities of improved attainment, progress and productive engagement provided by an extended school day.

Meanwhile, the UK suffers from a profound skill deficit and a very poor landscape for technical education. We have failed to invest properly in apprenticeships, while significant public funds have been directed towards low-quality, low-return degree courses. For every £1 invested in a Level 2 apprenticeship, £26 is returned. And the returns on higher apprenticeships can outperform academic courses at universities; for example, a graduate earns less, on average, five years after graduation⁶⁴ than a Level 5 apprentice earns three years after completion.⁶⁵

Yet apprenticeship starts have plummeted; in 2019 there were 200,000 fewer apprentices than in 2011. Level 2 apprenticeships have been in freefall at just 56 per cent of 2011 levels. It is time to consider radically rebalancing the allocation of public funds to ensure a comprehensive and high-quality apprenticeship offer.

⁵⁸ Education Policy Institute, <u>Understanding Progress in the 2020/21 Academic Year</u>, 2022

⁵⁹ Ibid

⁶⁰ Literacy Trust, How reading can help children escape poverty, 2014

⁶¹ Education Policy Institute, Divergent Pathways: the disadvantage gap, accountability and the pupil premium, 2016

⁶² Centre for Social Justice, Lost But Not Forgotten, 2022

⁶³ Education Endowment Foundation, 'Extended school time', accessed 2022

^{64 [2]} DfE, 2019, Graduate outcomes (LEO): outcomes in 2016 to 2017 [Accessed via: www.gov.uk/government/statistics/graduateoutcomes-leo-out-comes-in-2016-to-2017], Table 1. NB: figures relate to UK domiciled students. This includes students from Scotland, Wales and Northern Ireland, who earn a median income of £76.400.

⁶⁵ DfE, 2019, Further Education outcome-based success measures: 2016 to 2017, table ET01 [Accessed via: www.gov.uk/government/statistics/further-education-outcome-based-success-measures-2016-to-2017]

The next Prime Minister should:

1. Address the attainment gap fuelled by lockdown

An extended school day has the potential to improve children's health and educational outcomes while also helping to tackle the attainment gap for disadvantaged pupils. All children should be offered at least five hours of extra-curricular activity to support their academic studies, harnessing the power of local voluntary and community groups through DfE administered funding. The National Tutoring Programme should be urgently refocused to better support disadvantaged pupils by ringfencing existing funds to focus on educational recovery with priority given to ensuring tutoring provision in disadvantaged areas and schools. Teachers should be offered training on speech and language development and leading schools should form partnerships to support speech and language development in primary schools.

2. Return the so-called 'ghost children' to school

The Government must crack the problem of the 100,000 so-called 'ghost children' who are severely absent from school by introducing 2,000 attendance mentors. This programme is estimated to cost £80 million and has been shown to be a cost-effective way of getting severely absent children back into education. Oversight should be improved for children outside of the mainstream school system by implementing a register for children in elective home education, and creating a new register to regulate all alternative provision (AP) schools. The reforms of the SEND Review should be continued and fully implemented, including a new system of support to work upstream to reduce preventable exclusions. A full complement of mental health support teams should be rolled out across the country.

3. Focus on skills, skills, skills

The Government should consider introducing a skills tax rebate, akin in structure to the corporate capital investment allowance, for employers who invest in low-skilled workers. This would operate as a pro-skills, pro-growth form of tax relief which would help tilt business incentives towards tackling the UK skills deficit and reduce dependency on economic migration. It would also provide financial relief for firms seeking to invest in training during a very difficult period of increased corporate costs.

An all-stage, all-phase lifelong learning plan should be developed. This should aim to enshrine universal basic skills across adult education and unleash the power of adult community education providers.

The cap should be removed on apprenticeship funding to address existing skills gaps and offer practical opportunities to young people outside the formal university structure. The Government should review urgently the public funding of low-quality, low-return university courses with a view towards redeploying saved funds into apprenticeships. The Government should remove the effective cap on apprentices for small and medium enterprises, increase access to apprenticeships for young people and boost the number of people on degree apprenticeships.

Apprenticeships for 16-18 year-olds should be funded directly from the Education budget, as is the case for A-levels. Employers should also be able to use the Apprenticeship Levy funding they would have spent on training to cover a proportion of salary costs, making younger apprentices more attractive to employers and providing an incentive for employers to engage with the apprenticeship system.

4. Resilient finances

The Covid-19 pandemic and war in Ukraine have sent inflationary shockwaves throughout the global economy. With the price of energy and goods soaring, and the pressure on household budgets emerging as the number one public concern, the ongoing cost of living crisis is set to continue to dominate the agenda.

Given this extraordinary context, earlier in the year the CSJ called for Government to step in decisively, 66 and use a special fiscal event to shield the poorest households from the worst of inflation with a targeted financial support package. The assistance announced in May 2022 answered this call, including a welcome commitment to uprate benefit awards in line with inflation in April 2023.

Of course, the next Prime Minister will need to remain vigilant to energy price spikes as we move into what is likely to be an extremely challenging Autumn and Winter for many families. And additional financial interventions will almost certainly be needed.

Still, the cost of living crisis should also inspire new efforts to rebuild the foundations of family finances over the longer term – and to increase our collective resilience to financial shocks. Too many people in our nation are in, or close to, unsustainable levels of debt. Over three million people are in 'severe' debt, according to the charity StepChange, while CSJ research revealed that up to one million people are borrowing from an illegal money lender to make ends meet.⁶⁷

We have come straight out of a pandemic to be hit with a cost of living crisis. When the headlines in the papers say 'heat or eat' this is not an exaggeration, this is happening.

CSJ Alliance charity, Bridlington, Yorkshire

A good job remains the best defence against financial difficulty,⁶⁸ and people are at least £6,000 a year better off in full-time work than on benefits,⁶⁹ according to the Department for Work and Pensions. While Universal Credit has helped to unpick the 'poverty trap' produced by the legacy benefit system, we must redouble efforts to ensure that work always pays. Equally, people distant from the labour market require tailored support to achieve the employment that we know provides a range of financial, social and health benefits.⁷⁰

To this end, we have proposed a £730 million effective tax cut for the nation's poorest workers, and would like to see the new Prime Minister complete the welfare reforms initiated in 2012 by rolling out Universal Support, a successfully piloted into-work scheme with an estimated return on investment of 1.5–2.71

But we need also to build resilience. Even before the inflationary surge, a third of all households had no savings according to official figures. And now over 40 per cent of people say that they do not think they will be able to save anything at all in the next 12 months. 72 Schemes to support low-income households with savings, such as Help to Save, are welcome, but awareness and take-up is woefully low.

With the cost of problem debt estimated at £8.3 billion annually,⁷³ the new Prime Minister must ensure that as we navigate the turbulence of the cost of living crisis, work is being done to strengthen family finances over the long-term.

⁶⁶ Centre for Social Justice, Alleviating the Crisis, 2022

⁶⁷ CSJ, Swimming with Sharks, 2022

⁶⁸ Average real pay (adjusted by CPI rate of inflation) remains higher in July 2022 than in February 2020, before the pandemic.

⁶⁹ Department for Work and Pensions, New jobs mission to get 500,000 into work, 2022

⁷⁰ Waddell and Bell, <u>Is work good for your health and wellbeing?</u>, 2006

⁷¹ CSJ, Unfinished Business, 2020

⁷² Office for National Statistics, <u>Opinions and Lifestyle Survey</u>, 2022

⁷³ Step Change, Cutting the cost of problem debt, 2014

The next Prime Minister should:

1. Ensure that work always pays

The Government has taken welcome steps to restore Universal Credit to its original design, notably by cutting the 'taper rate' at which benefits are withdrawn to 55 per cent. Now it must restore Work Allowances to their pre-2016 levels, so people keep more of the money they earn. This would be a highly targeted, effective tax cut for 1.7 million of the poorest working households in the country, worth £730 million and an additional £442 in households pockets on average over the coming year.

2. Roll out Universal Support

Rising rates of economic inactivity paired with high vacancies is a missed opportunity to help people into work and reap the financial, social and health benefits of employment.⁷⁴ The Government should complete the welfare reforms initiated in 2012 to deliver Universal Support (US). Universal Support helps people furthest from the labour market towards self-sufficiency by addressing wider barriers holding them back. US key workers would partner with local charities to upskill some of the most vulnerable and disadvantaged people in society by tackling multiple complex challenges, such as housing, debt, mental health and relationship problems.

3. Overhaul financial education

Almost half (46 per cent) of adults with direct experience of financial difficulty say low money management skills contributed to their situation.⁷⁵ To build our resilience over the long-term we need to overhaul the way financial education is delivered – across the lifespan. Money habits and behaviours that will stick with children for life are formed by age seven,⁷⁶ yet just one in three children receive any education about money at primary school. We propose a £32 million early intervention to put financial education on the primary school curriculum, and the integration of financial education into the Government's welcome £560 million adult numeracy programme.

4. Clamp down on illegal lenders

The Government should scale up the operations of the Illegal Money Lending Team England to identify and arrest more loan sharks preying on vulnerable people. Debt advisers, local authorities, police forces and housing associations should all receive updated training in how to identify and support victims of illegal money lending.

5. Revolutionise the credit union sector

With the exit of several household names from the credit market, there is need for safe and affordable credit options to help fill the gap. Credit unions ought to be fit for the 2020s, but currently they are overburdened with outdated regulation created in 1979. The Government must use the forthcoming Financial Services Bill to radically cut red tape holding back Credit Unions mergers, and promote a growth focused environment for alternative lenders.

6. Build resilience

The Help to Save scheme represents a key opportunity to support those on low incomes to save and build a financial cushion against unexpected costs. Yet the latest data shows uptake to be at just eight per cent of those estimated to be eligible upon launch. Given that most people want to save regularly but struggle to start, HM Treasury should rapidly review the generosity and promotion of the scheme, ensuring large employers signpost employees to the support.

⁷⁴ Waddell and Bell, Is work good for your health and wellbeing?, 2006

⁷⁵ Centre for Social Justice, On the Money: A roadmap for lifelong financial learning, 2022

⁷⁶ Money and Pensions Service, Financial Capability of Children, Young People and their Parents in the UK, 2016

5. Thriving communities

Community matters.

Thriving local community relationships underpin opportunity – both social and economic – enabling higher productivity and prosperity.⁷⁷ And a sense of community built on trusted relationships between neighbours is key to ensuring those who are vulnerable or isolated get the help they need.⁷⁸

However, our community life is under threat. Despite well-publicised community efforts during the lockdowns, formal volunteering has declined over the last decade and is now at an all-time-low.⁷⁹ The number of us giving to charity has fallen from 82 to 63 per cent over the last decade.⁸⁰ CSJ polling has shown that less than 30 per cent of us think our community is free from loneliness or social isolation.⁸¹ Positive engagement with neighbours has been falling over the last decade,⁸² and through the pandemic, and trust in others in our community has declined.⁸³

If we strengthened our community life as a nation, this would reap dividends in mental and physical health, educational outcomes, social deprivation, social mobility, and democratic participation.

"The transforming power of relationships . . . is our greatest tool. Our door is always open, and young people flock through it to escape boredom and purposelessness. . . If we want to distribute wellbeing, we must start with strengthening community."

CSJ Alliance charity, Jaywick

A central issue related to this is housing. CSJ survey data and analysis found that areas with higher rates of owner-occupation have much higher levels of satisfaction with community life.⁸⁴ By contrast, inner-city areas with high levels of renting and multiple forms of deprivation were, in general, among the areas with the lowest levels of community satisfaction.

As homeownership is increasingly difficult for young people to achieve, as social housing is insufficiently provided, and as private rented sector tenures are too insecure, our broken housing system has an increasingly detrimental impact on our community life. The supply of truly affordable housing in secure tenures needs to be addressed: over the last decade, sales and demolitions of social rented homes have vastly outstripped new supply.⁸⁵

But we need to get community infrastructure right, too. As our research has shown, people's primary concern when it comes to new housing developments is the area becoming too busy. We must take a wholesome approach to community planning – not just delivering identikit 'units' of 'housing stock', but liveable, characterful homes in attractive communities. That means providing a real choice of transport including walkable options to reach practical, usable community facilities such as GPs, schools, shops, and other local infrastructure.

⁷⁷ See, for example, Robert Putnam, Our Kids: The American Dream in Crisis, New York: Simon & Schuster, 2015; Mark Granovetter, Getting a Job: A Study of Contacts and Careers, Chicago: University of Chicago Press, 1995

⁷⁸ Centre for Social Justice, Community Capital, 2019

⁷⁹ DCMS Official Statistics, Community Life Survey 2020/21, Volunteering and Charitable Giving, 2022. See Figure 5.1

⁸⁰ Ibid, see Figure 5.7.

⁸¹ Centre for Social Justice, Pillars of Community, 2021, p.10

⁸² ONS, Social Capital in the UK: 2020, 2020

⁸³ Ibid

⁸⁴ Centre for Social Justice, Pillars of Community, 2021, p.35

⁸⁵ Centre for Social Justice, Exposing the Hidden Housing Crisis, 2021

⁸⁶ Ibid

We need urgently to restore local pride through tangible changes to local areas. The local high street is crucial for this: a thriving high street is seen as vital in the UK today, but less than 20 per cent feel their community has this.⁸⁷ We advocate moving from a 'high street' model to a 'hub street' model as more retail takes place online. By anchoring useful facilities in and around our town centres as 'hubs', we can revive our sense of shared civic life in our built environment.

Reviving community life means Government grasping the immense potential of the small charity sector, which has delivered throughout the pandemic and more recently during the cost of living crisis. As research at Sheffield Hallam University has demonstrated, smaller charities possess the immense power to be adaptable, provide 'first response' to new situations, maintain trust and presence over the long-term, and engage in a locally appropriate way.⁸⁸

But it also means ensuring that the most vulnerable are not written off and no one is left behind. This includes those who are in the grip of rough sleeping, drug addiction, or modern slavery. None can be addressed without trusting community relationships. Indeed, where we try to cut costs by removing the human element – for example by abandoning people to the chemical imprisonment of unnecessary methadone prescriptions rather than supporting them through abstinence and into community life⁸⁹ – we act in a short-sighted and ultimately uncompassionate way.

The next Prime Minister should:

1. Transform left behind places through the 'hub street' model

The Government should continue to provide funding and resources for the refreshing of high streets as our use of civic space changes. The planning system must support the move from a 'high street' to a 'hub street' model: one where practical, useful, civic institutions – such as, health services, family hubs, business and banking hubs – provide the anchors for shared civic life in the built environment.

2. Trust local charities to deliver

National and local government should make it easier for smaller, local charities to gain and deliver contracts for social and other services, including by extending schemes such as the Community Match Challenge. Often, small charities lack the capacity of larger organisations to tender applications with elaborate prospectuses, but have remarkable abilities to adapt, sustain long-term relationships, and understand – and thereby build trust with – those in their communities. Government should encourage councils to be proactive about maintaining strong relationships with their local charity sector so as to ensure they are well-equipped to hear about and bid for providing the services their community needs.

3. Build a new generation of Living Homes

The government should introduce a new generation of high-specification, energy-efficient, beautiful 'Living Homes' available for sub-market rents. The Government should aim to build 50,000 of these per year as part of an ambitious new Affordable Homes Programme. Rents should reflect affordability according to local incomes rather than being pegged to the overheated housing market. To facilitate this, the Government should accelerate plans to securitise annual housing benefit to unlock investment in new supply, re-commit to a rules-based planning system, and increase the land value uplift available for new homes. It should also turbocharge plans to increase community participation in planning through an effective, modern, digital system.

⁸⁷ Centre for Social Justice, Pillars of Community, 2021

⁸⁸ Sheffield Hallam University, Centre for Regional Economic and Social Research, <u>The Value of Small</u>, 2018

⁸⁹ Centre for Social Justice, Road to Recovery, 2019

4. Re-commit to ending rough sleeping

The Housing First rough sleeping pilot programmes have delivered fantastic results. In Greater Manchester alone, 325 tenancies have been supported with an 85 per cent retention rate. The pilots should be rolled out nationally to break the cycle of homelessness for the most vulnerable people sleeping rough. PwC analysis shows that, for every pound released by the Treasury for Housing First, £1.56 is saved on costs to the homelessness, health and criminal justice systems.

5. Deliver on a transformative plan for drugs

The Government has set out a '10-year drugs plan' of considerable scale and ambition. It is crucial that this is seen through to ensure every individual suffering from addiction is helped into treatment. This should include using police powers to require individuals with drug addictions who are committing crimes and anti-social behaviour to complete drug assessments and receive appropriate treatment. It should also continue to rebuild the treatment sector as we proposed in our landmark *Road to Recovery* report.

6. Release those in the grip of modern slavery

The existence of modern slavery in Britain in 2022 is inexcusable. Yet ruthless criminals are exploiting news ways to extract from the most vulnerable people in our community. 'Cuckooing' is where offenders exploit someone by taking over their home and use the property for their own purposes, often the storage of drugs or weapons in connection with 'county lines' dealing but not exclusively. Victims are often targeted because they are vulnerable through addiction, age, or disability, and offenders can be violent and threatening. 92 Victims of cuckooing can be arrested and prosecuted themselves for allowing their home to be used for criminal activity if they are not recognised as a victim.

Exploiting someone by taking over their home is not currently a criminal offence. The CPS has said that cuckooing is out of reach of the Modern Slavery Act 2015 where there is no movement or no other 'labour' is involved, while other offences such as drugs or generic organised crime offences do not address the exploitation of the victim.⁹³

The next Prime Minister should use the forthcoming Modern Slavery Bill to protect vulnerable people at risk of cuckooing and adequately prosecute the perpetrators by making it a specific modern slavery criminal offence. The provision should ensure victims have access to support and special measures as modern slavery victims and that those offenders who may themselves be victims of modern slavery are able to access the statutory defence.

⁹⁰ Inside Housing, Greater Manchester extends Housing First pilot under new £37m funding deal, 2022

⁹¹ Centre for Social Justice, Close to Home, 2021

⁹² National Crime Agency, County Lines Violence, Exploitation & Drug Supply 2017, 2017; Jack Spicer, Leah Moyle and Ross Coomber, The variable and evolving nature of 'cuckooing' as a form of criminal exploitation in street level drug markets, Trends Organ Crim 23, 301–323, 2020; Foundations for People with Learning Disabilities, A life without fear, 2018

⁹³ Centre for Social Justice and Justice and Care, 'Cuckooing', 2021

Appendix

For further information on the research, policies and costings throughout this manifesto please see the below:

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• Centre for Social Justice, Road to Recovery, 2019.

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Repairing our society

A social justice manifesto for a thriving Britain

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