

Autumn Budget and Spending Review 2021

A briefing from the National Children's Bureau

The Spending Review must be a turning point for children and families.

The prominence given to the needs of babies, children and young people in the Spending Review, when they are so often left out of these types of announcements, provides a glimmer of hope that we are embarking on a path to build back childhood after the pandemic.

Building Back Childhood – the Case for Investment

The **#BuildBackChildhood campaign**, led by the National Children's Bureau (NCB), has the support of over 700 organisations from across the children's sector. Our campaign report set out the strong financial and moral case for investing in:

1. Prevention and early intervention;
2. A holistic view of 'education' recovery;
3. Improving living standards for low-income families;
4. Giving every child the best start in life.

NCB's verdict on the Spending Review

NCB believes that HM Treasury has listened to many of the arguments put forward by the children's sector and we applaud them for this. The new investment in public services and additional financial support for families announced in the budget will undoubtedly make a real difference to the lives of many children.

But creating lasting change must mean sustained growth in other areas of public spending too. Investment is still urgently needed in health visiting, children's social care and mental health services. And while money for public services is vital, high rates of poverty remain an insurmountable barrier to levelling up opportunities for children. Rises to the national living wage and the changes to Universal Credit are positive for working families, but a plan is still urgently needed for children growing up in households where no one is in work.

This briefing measures the commitments in the Spending Review against the children's sector's vision and sets out what more could be done to build back childhood.

1. The Spending Review will help redress the balance towards prevention and early intervention but more is still needed

Public services for children are caught in a cycle of increasing demand and late intervention. Whether in mental health services¹, the special educational needs and disabilities (SEND) system² or children's social care³, spending is becoming ever more concentrated on the most complex and expensive interventions⁴. This means less

¹ Office of the Children's Commissioner (2020) <https://www.childrenscommissioner.gov.uk/report/who-are-they-where-are-they-2020/>

² Department for Education (2019)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805014/SEN2_2019_text.pdf

³ Children's Services Funding Alliance (2021) <https://www.ncb.org.uk/about-us/media-centre/news-opinion/councils-forced-halve-spending-early-help>

⁴ Children's Services Funding Alliance (2021) <https://www.ncb.org.uk/sites/default/files/uploads/files/Children%27s%20services%20spending%202010-11%20to%202019-20.pdf>

resource for preventive work and fewer early intervention services, leading to further escalation of needs and increased cost.

The announcements in the Budget provide a starting point for redressing this balance.

Children, young people and families value being able to access services based in the community. **Family Hubs** increase informal networks of support and allow professionals to build strong relationships and identify needs early. While positive, the limited investment in Family Hubs at the Spending Review will only succeed if there is also a skilled workforce and sufficient capacity to provide the services to all of the families across the country who need it. Family Hubs must also be accessible to children with additional needs, including those with mental health difficulties and children with SEND.

We have also seen positive signs that the Treasury has recognised the **huge funding shortfall in children's social care**. The Spending Review includes £4.8 billion grant funding for councils over the SR period, meaning £1.6 billion in each of the next three years. This includes an increase in funding for the successful Supporting Families programme, and there is also investment in specialist children's homes and reforms to unregulated settings. HM Treasury has explicitly stated that this new grant funding can be used to "increase investment in supporting vulnerable children".

This uplift in council budgets is a start, and we are hopeful it can be used to relieve some of the pressures in children's services, **but it is simply not enough**. Local authorities must be given the resources they need to address the escalating pressures in children's social care, including for families of disabled children who so often miss out.

NCB recommendations:

- The Independent Review of Children's Social Care and the government's SEND Review to work with HM Treasury to fully address unsustainable financial pressures in the system. Councils must have the resources to deliver preventative and early intervention services, as well as meet statutory duties at all levels of the system.
- Expand the Family Hubs network to the whole country, backed by significant investment in workforce development and a set of national standards that ensure Family Hubs are able to meet the needs of all children.
- Invest in early support hubs to offer easy-to-access, drop-in support for young people aged 11-25 with emerging or low-level mental health needs.

2. A broader view of 'education recovery' is needed to address lost learning

Many children have faced great adversity during the pandemic. Over 10,000 children have been bereaved of a primary caregiver as a result of the pandemic⁵ ⁶, and children

⁵ Hillis, SD et al. (2021) [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)01253-8/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)01253-8/fulltext)

⁶ Imperial College London (2021) https://imperialcollegelondon.github.io/orphanhood_calculator/#/country/United%20Kingdom

experiencing mental health problems increased during the pandemic, from one in nine in 2017 to one in six in 2021⁷.

We welcome the Chancellor's further investment in education recovery, the major increase in the core budgets for schools, and training for early years staff. **However, we are surprised and disappointed that the budget failed to deliver any further investment in children's mental health.** Children's wellbeing and mental health are fundamentally linked to their educational progress. If children are to fully benefit from this significant investment in education recovery, some of this funding must be used to prioritise mental health and wellbeing.

Many children with additional needs rely on services beyond the school to access their education. We know many of these services were stopped or reduced during the pandemic and have been slow to return⁸. Education recovery funding must be used to tackle the backlog in assessments and address the impact of missed therapies on education.

We also welcome the investment in new school places for children with SEND. With so many children with SEND struggling to get the right placement, any additional funding is welcome. However, the vast majority of children with SEND attend mainstream schools and we must use this new funding to promote an inclusive rather than a segregated system.

NCB recommendations:

- Education recovery funding to be made available to increase capacity in local authorities to tackle the backlog of assessments and therapies for children with additional needs.
- Prioritise children and young people's mental health to reflect the increased demand from the pandemic, including through the expansion of Mental Health Support Teams so that all schools are covered by 2026/27.

3. Rising insecurity, debt, homelessness and hunger is not the context in which plans to level up disadvantaged communities can succeed

The ultimate test for the Levelling Up strategy is not just whether it can spread opportunities fairly throughout the country, but whether it can tackle the underlying issues that persistently deny every child fair access to these opportunities.

Children growing up in deprivation are already far behind wealthier peers before they have started school and even further behind when they leave⁹ ¹⁰. Growing up poor means being more likely to have a range of physical and mental health problems¹¹, be

⁷ NHS Digital (2020). Mental Health of Children and Young People in England, 2020: Wave 1 follow up to the 2017 survey. <https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-of-children-and-young-people-in-england/2020-wave-1-follow-up>

⁸ Disabled Children's Partnership (2021) <https://disabledchildrenspartnership.org.uk/then-there-was-silence/>

⁹ Department for Education (2018) <https://www.gov.uk/government/publications/improving-social-mobility-through-education>

¹⁰ a) Early Intervention foundation (2021) <https://www.eif.org.uk/report/the-case-for-early-intervention-to-support-levelling-up-and-covid-recovery> b) Joseph Rowntree Foundation (2018) <https://www.jrf.org.uk/file/49551/download?token=705i5Cjs&filetype=full-report>

¹¹ Royal College of Paediatrics and Child Health (2020) <https://stateofchildhealth.rcpch.ac.uk/>

excluded from school¹², and be taken into care¹³. As well as the human cost, this costs the Treasury billions through greater additional spending on public services¹⁴.

The reduction of the Universal Credit taper rate and the increase of work allowances is a permanent, substantial investment in our social security system. Alongside the rise in the National Living Wage, this will make a genuine difference to working families on Universal Credit, allowing them to keep more of what they earn. Now the Government need to introduce measures for families who are seeking work or unable to work, as well as families on Working Tax Credit and legacy benefits.

NCB recommendations:

- Support families who are looking to move into work or unable to work by:
 - Ending the benefit cap and two-child limit;
 - Raising child benefit by £10 a week;
 - Covering 100% of childcare costs through Universal Credit and providing that support upfront;
 - Increasing free school meal provision to all families on Universal Credit and equivalent benefits.
- Commit to a long-term funding settlement for local welfare assistance so that local authorities can continue to support the wider health and wellbeing of children from low-income households.

4. Giving every child the best start in life

What happens during pregnancy and early childhood has a fundamental impact on a child's physical health, speech, language and communication, and emotional wellbeing. Investing in services that give children the best start in life reduces demand on GPs, hospitals and social care¹⁵. And it means children start school ready to learn and helps children stay safe, happy and healthy throughout their lifetime.

Dame Andrea Leadsom MP set out a compelling "Best Start for Life" vision and the Chancellor has provided the investment required to get started on delivering this. Investing in parenting programmes, providing a clear offer to families, breastfeeding advice and perinatal mental health support are all welcome. NCB would like to see sustained investment in these programmes to deliver support to all parents who need it.

However, there has been no real-terms increase in the Public Health Grant, which funds important services like health visiting. Without home visits, professionals risk missing families with significant needs at a crucial stage in their child's development, and the Government's ambition to give every child the best start in life will be undermined. While the announced workforce pilots are welcome, we hope they do not lead to a dilution of the health visiting workforce and an increase in the proportion of low-skilled staff.

The Chancellor also recognised the crucial role played by the childcare and early education sector in the long-term success of the country with a higher increase in

¹² Department for Education <https://www.gov.uk/government/statistics/permanent-and-fixed-period-exclusions-in-england-2017-to-2018>

¹³ Department for Education <https://www.gov.uk/government/collections/statistics-looked-after-children>

¹⁴ Joseph Rowntree Foundation (2016) <https://www.jrf.org.uk/report/counting-cost-uk-poverty>

¹⁵ Department of Health and Social Care (2013) <https://www.gov.uk/government/publications/chief-medical-officers-annual-report-2012-our-children-deserve-better-prevention-pays>

entitlement funding rates than previous years. While this investment is much needed, there are still funding shortfalls which may impact the delivery of high-quality affordable childcare and early education. An independent review into funding and affordability, including whether current spending is sufficient to deliver the entitlements, would help us understand this better.

NCB recommendations:

- Provide sustained investment in the Start for Life programmes to deliver support to all parents and babies who need it.
- Invest in the training and recruitment of 3,000 health visitors over the next three years.
- Launch an independent review into childcare and early education funding and affordability.

For more information, please contact:

Celeste Pergolizzi, NCB Policy Officer, cpergolizzi@ncb.org.uk

Matthew Dodd, NCB Head of Policy, mdodd@ncb.org.uk