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OF ECONOMICS AND
POLITICAL SCIENCE ■

Social Policies and Distributional Outcomes

in a Changing Britain

The Conservative Governments' Record on Social Policy from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes

An assessment of social policies and social inequalities on the eve of the COVID-19 pandemic

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About the SPDO research programme

This overview report brings together social policy analysis undertaken within the ***Social Policies and Distributional Outcomes in a Changing Britain*** research programme (SPDO). The central objective of the SPDO research programme is to provide an authoritative, independent, rigorous and in-depth evidence base on social policies and distributional outcomes in 21st century Britain. The central question addressed by the research programme is: What progress has been made in addressing social inequalities through social policies? The research programme combines in-depth quantitative analysis of trends in social inequalities with detailed and systematic public expenditure and social policy analysis across ten major social policy areas over the period May 2015 to pre-COVID 2020, together with broader reflection on the changing nature of social policies and distributional outcomes over the 21st century.

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List of SPDO research papers that we draw on in this report

Country level devolution: Scotland

Mark Stephens and Suzanne Fitzpatrick

City-region devolution in England

Ruth Lupton, Sian Peake-Jones, Kerris Cooper and Ceri Hughes

What does Brexit mean for social policy in the UK? An exploration of the potential consequences of the 2016 referendum for public services, inequalities and social rights

Kitty Stewart, Kerris Cooper and Isabel Shutes

Does COVID-19 represent a 'new Beveridge' moment, a crisis that will wash away, or a call to action? Report of a roundtable discussion on theories of welfare

Tania Burchardt

The post war welfare state: stages and disputes

Howard Glennerster

Physical safety and Security: Policies, spending and outcomes 2015-2020

Kerris Cooper and Nicola Lacey

The Conservatives' Record on Compulsory education: spending, policies and outcomes in England, May 2015 to pre-COVID 2020

Ruth Lupton and Polina Obolenskaya

The Conservatives' Record on Adult Social Care: spending, policies and outcomes in England, May 2015 to pre-COVID 2020

Tania Burchardt, Polina Obolenskaya and Jarrod Hughes

The Conservative Governments' Record on Early Childhood from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes

Kitty Stewart and Mary Reader

The Conservative Governments' Record on Social Security from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes

Kerris Cooper and John Hills

The Ruling Parties' Record on Homelessness and Complex Needs (May 2015 to pre-COVID 2020)

Suzanne Fitzpatrick and Glen Bramley

The Conservative Governments' Record on Health from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes

Polly Vizard, Polina Obolenskaya, Jarrod Hughes, Kritika Treebhooon and Iona Wainwright

The Conservative Governments' Record on Employment from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes

Abigail McKnight and Kerris Cooper

The Conservative Governments' Record on Higher Education from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes

Abigail McKnight and Polina Obolenskaya

The Conservative Governments' Record on Social Mobility from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes

Abigail McKnight

Acronyms

DfE	Department for Education
ESI	European Structural and Investment
EYFSP	Early Years Foundation Stage Profile
GM	Greater Manchester
HE	Higher Education
HEFCE	Higher Education Funding Council for England
IFS	Institute for Fiscal Studies
OBR	Office for Budgetary Responsibility
OFFA	Office for Fair Access
OfS	Office for Students
ONS	Office for National Statistics
OECD	Organisation for Economic Co-operation and Development
SEN	Special Educational Needs
SMC	Social Mobility Commission
SPDO	Social policies and distributional outcomes
SPCC	Social policy in a cold climate
TEF	Teaching Excellence and Student Outcomes Framework
UKRI	UK Research and Innovation

Foreword

On Wednesday 11th March 2020, John Hills presented findings on developments in social security policy between May 2015 and early 2020 at one of the regular research seminars we have been holding over the last three years at the Centre for Analysis of Social Exclusion (CASE), London School of Economics, as part of the *Social Policies and Distributional Outcomes in a Changing Britain* (SPDO) research programme funded by the Nuffield Foundation. The seminar turned out to be our last face-to-face SPDO research seminar and the last time many of us gathered together face-to-face in CASE before the period of lockdowns and virtual arrangements triggered by COVID-19. Tragically, it also turned out to be the last presentation that John was to give at a CASE research seminar before he was taken seriously ill in summer 2020 and shockingly and prematurely passed away in December, just before Christmas, leaving his colleagues, friends and family in shock and grief. [Tributes](#) and [condolences](#) poured in from all directions.

During the period since John became seriously ill, we have been working to bring together the analysis from the different social policy areas covered by the SPDO research programme and to identify lessons and insights from the period between the May 2015 General Election and early 2020, the eve of COVID-19 pandemic, for social policy looking forward. Sadly, John was not able to review this overview report in its entirety. However, John co-directed the *Social Policies and Distributional Outcomes in a Changing Britain* research programme and much of the material contained in the report was written or reviewed by John. Where this was not possible, we believe that our analysis reflects our detailed and extensive discussions with John about social policy developments over the period, as well as John's reflections and serious concerns about the erosion of social protection and social inequalities on the eve of COVID-19.

The report builds on the tradition of comprehensive and evidence based social policy analysis that John led, operationalised and refined over more than thirty years. It is in many ways a sequel to multiple previous volumes produced within CASE under John's directorship, as well as two key volumes produced within the Welfare State Programme, the predecessor to CASE, under the directorship of John's mentor Tony Atkinson. These are: *Social policy in a cold climate: policies and their consequences since the crisis* (edited by Lupton, Burchardt, Hills, Stewart and Vizard, 2016); *Towards a more equal society? Poverty, inequality and policy since 1997* (edited by Hills, Sefton and Stewart, 2009); *A more equal society? New Labour, poverty, inequality and exclusion* (edited by Hills and Stewart, 2005); and the first and second editions of the *State of Welfare in Britain since 1974* (edited by Glennerster and Hills, 1998; and Barr, Hills, and Le Grand, 1990).

As a body of work, these outputs provide a continuous record and assessment of social policy developments in Britain going back to the 1970s based on a common interpretative framework and methodology for undertaking social policy analysis. Over the years, the data that has become available for analysing social

policy developments has expanded rapidly and our methodology has evolved to take account of this. For example, in this overview report, we are able to examine social outcomes much more systematically by characteristics such as socioeconomic disadvantage, ethnicity, gender, disability and area type than was possible in earlier outputs. The reach of our analysis has also expanded, to take account of additional areas of concern such as physical safety and security outcomes and homelessness, as well as the social policy areas covered in our earlier volumes, such as social security, education and health. Like the other outputs listed above, our assessment of the social arrangements that were in place for improving social outcomes and reducing social inequalities between May 2015 and early 2020 looks across multiple areas of social policy and combines detailed analysis of the resources allocated and the policies that were in place during this period with an outcomes-orientated evidence base on the lives of individuals and groups.

The overview report includes contributions by a large team of researchers and academics who have worked with, learnt from, and been supported and inspired by John over many years. Collectively we share a commitment to building on and taking forward John's work, ideas and commitments as best as we can, and the completion of this report is one such contribution.

Polly Vizard and the SPDO research team

January 2021

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1 Introduction and overview – Polly Vizard and John Hills

The second decade of the 21st century will be remembered as a period sandwiched between two unprecedented global shocks. At the beginning of the decade, Britain transitioned into the 2010s in the wake of the financial crisis of 2007/8 and the subsequent economic recession. Ten years on, the country entered the 2020s just as the COVID-19 public health crisis and subsequent economic shock were gathering storm. Punctuated by the Brexit referendum in 2016, the decade also played out against a backdrop of rising populism internationally, slow growth in GDP, productivity, wages and living standards, and demographic changes that continued to put upward pressure on the welfare state and public services. The challenges facing the Governments that were in power over this period - and indeed that would have faced any government of any political complexion in office at this time - were substantial.

The 2010s will also be remembered as the 'decade of austerity'. Following the 2007/8 financial crisis, the public spending deficit had increased from £45.0bn in 2007/08 to £157.7bn in 2009/10 (10.1% of GDP). Public debt had also accumulated substantially, increasing from £545.6bn to £982.8bn between 2007/08 and 2009/10 (62.8% of GDP). In 2010, the need for fiscal adjustment and deficit reduction presented a major political, economic and social challenge. Fundamental political choices would have to be made relating to timescales, the balance of tax rises versus public expenditure cuts as a basis for deficit reduction, and the role and feasibility of a growth led approach. While governments of different persuasions might have pursued different policy responses, the need for action to reduce the public spending deficit and public debt was recognized by all three of the major political parties at the beginning of the decade.

Given the scale of these challenges, how should progress in improving social outcomes and reducing social inequalities over this period be evaluated? Arguably a minimum requirement of social justice is that any government in power identifies and delivers a combination or mix of policies (sometimes referred to in the literature as a policy 'regime') that ensures an effective safety net for the most disadvantaged groups, even through a process of fiscal adjustment. A somewhat more demanding requirement is that the costs and burdens of deficit reduction only fall on the most advantaged; that investment in social policy areas such as education, skills, early years and health are not compromised; and that progress in improving social outcomes and reducing social inequalities does not slip. A third and more demanding criterion still focuses on the potential for combining fiscal adjustment with an expansion of what Amartya Sen has described as people's capabilities - people's real opportunities and freedoms to flourish across different areas of life (or 'capabilities'), such as longevity, good health, living standards, education and physical safety and security - and a *reduction* in poverty and inequality.

In our previous assessment of social policy covering the period May 2010 and May 2015, we reported on how the Conservative-Liberal Democrat Coalition Government led by then Prime Minister David Cameron responded to these challenges during the first five years of the 2010s¹. We noted that the Coalition identified deficit reduction as a key priority, established a tight set of fiscal rules that imposed downward pressure on public expenditure and put into place a strategy for deficit reduction that focused on public expenditure cuts rather than higher taxation. At the same time, the Government explicitly recognised the importance of combining the process of fiscal adjustment with the protection of vulnerable groups (HM Government, 2010) and principles of distributional equity (Chancellor's speech introducing the 2010 Emergency Budget, cited in Lupton et al. (2016, p. 323)). Looking in detail at policies, public expenditure and outcomes between May 2010 and May 2015, we suggested that the Coalition's approach to public expenditure was best characterised in terms of 'selective austerity' with real public expenditure cuts in de-prioritised social policy areas coupled with 'relative protection' in others. In parallel, the Coalition implemented a programme of radical reforms to the welfare state and public services. Alongside a shift away from 'progressive universalism', with tighter eligibility restrictions for some benefits and public services and use of punitive sanctions, coupled with an emphasis on decentralisation, competition and provider diversity, and a smaller central state. We concluded that while it remained early days in terms of the evaluation of impacts, there was evidence of mounting pressure on public services and adverse developments in relation to some social outcomes, coupled with little evidence of further progress in addressing social inequalities.

In this report, we take our analysis forward and provide an assessment of social policy developments under the three Conservative Governments that were in power between May 2015 and the eve of the COVID-19 pandemic in early 2020. The report brings together and looks across the social policy analysis undertaken as part of the *Social Policies and Distributional Outcomes in a Changing Britain research programme (SPDO)* funded by the Nuffield Foundation. It is comprehensive in scope, covering developments within and across ten major areas of social policy. These are: social security; employment; early childhood; compulsory school age education; higher education; health; social care; physical safety and security;

¹Social policy developments under the Conservative-Liberal Democrat Coalition between May 2010 and May 2015 were examined in our previous Social Policy in a Cold Climate research programme (referred to in this report as the SPCC research programme). The findings of the SPCC research programme are set out in Lupton et al (2015), (Lupton et al., 2016) and an accompanying set of individual social policy papers available on the SPCC website:

http://sticerd.lse.ac.uk/case/_new/research/Social_Policy_in_a_Cold_Climate/Programme_Reports_and_event_information.asp).

homelessness / complex needs; and social mobility. We include short summaries of key findings on policies, public expenditure and outcomes from our analysis for each social policy area within this overview report (sections 4 to 13). Each social policy summary is underpinned by a detailed full research paper. Readers with a deeper or more detailed interest in social policy developments over the period are referred to the full versions of the papers, which are individually listed at the beginning of this report and can be downloaded from the SPDO research programme website (http://sticerd.lse.ac.uk/case/_new/research/spdo/default.asp). This overview report also draws on three additional research papers which focus on the changing context for social policy making between May 2015 and pre-COVID 2020: country level devolution, city-region devolution and Brexit respectively. Again, these are listed at the beginning of this report and can be downloaded from the SPDO website.

The methodology we adopt to assess social policy developments over the period May 2015 to pre-COVID 2020 is based on a detailed examination of policy developments, public expenditure and outcomes. This comprehensive approach to social policy analysis ensures that public expenditure developments and changes (and continuities) in social policies are analysed alongside an outcome-orientated evidence base on broad trends in social outcomes and social inequalities over time. Within the SPDO research programme, we have applied this methodology to the analysis of social policy developments in each of the ten SPDO social policy areas, ensuring broad consistency with the methodology used to assess the social policy records of previous governments in our earlier rounds of our research. For the current study, we extend and refine our analysis by covering two new social policy areas (physical safety and security, and homelessness/complex needs) and by putting more emphasis on reporting outcomes by characteristics including gender, age, ethnicity, disability, socioeconomic status and geographical area, building on the approach developed in (Hills et al., 2010; Burchardt and Vizard, 2011)².

As well as building on our previous assessments of social policy developments under the Conservative-Liberal Democrat Coalition Government that was in power between May 2010 and May 2015, the current report builds on our analysis of social policy developments under the three Labour Governments that were in power before that between May 1997 and May 2010. In this way, the report can be seen as a sequel to multiple previous volumes produced by the Centre for Analysis of Social

²The importance of the comprehensive methodology we have developed as a basis for analysing social policy developments is noted by McEnhill and Taylor-Gooby (2018). Specifically, the authors note that we address the limitations of social policy approaches that focus exclusively on policy instruments and structures, and suggest that the outcomes analysis undertaken within our previous the SPCC research programme yields additional insights, including by providing evidence of a structural break in social protection mechanisms during the Coalition years compared to the previous New Labour period. See McEnhill and Taylor-Gooby (2018) for further details.

Exclusion, in reverse chronological order: *Social policy in a cold climate: policies and their consequences since the crisis* (Lupton, Burchardt, Hills, Stewart and Vizard, 2016); *Towards a more equal society? Poverty, inequality and policy since 1997* (Hills, Sefton and Stewart 2009) and *A more equal society? New Labour, poverty, inequality and exclusion* (Hills and Stewart, 2005). The analysis also builds on a longer tradition of evidence-based social policy analysis combining analysis of public expenditure, social policies and outcomes developed by John Hills and colleagues in outputs produced by the Welfare State Programme at LSE, including the first and second editions of the *State of Welfare: the Welfare State in Britain since 1974* (Barr, Hills, and Le Grand, 1990; and Glennerster and Hills 1998).

The current report has important limitations. Our analysis covers Britain, but where policy is devolved, our focus is on policy developments in England. While our analysis is comprehensive in terms of its social policy coverage, we do not have detailed papers or summary outputs covering vocational and technical education and adult skills, children's social care or housing. Another key limitation is that our analysis finishes in early 2020, prior to the COVID-19 pandemic. The SPDO research programme began in 2017 and was scoped long before the world had heard of COVID-19. We have not attempted to address the pandemic or its effects in any detail in this report. Nevertheless, the findings from the programme provide a unique and detailed evidence base on social policy developments in the run up to the public health crisis and on the state of social inequalities when the pandemic struck. We believe that the impact of the public health crisis and the economic shock that occurred in its wake cannot be understood independently of the social conditions that prevailed, and the social arrangements that were in place, on the eve of the pandemic. For these reasons, we conclude our analysis by addressing the broader implications of the programme findings in the context of COVID-19.

Politically, the period between May 2015 and early 2020 was a tumultuous one with three separate Conservative majority Governments – the first led by David Cameron following the General Election in May 2015; the second by Theresa May following the Brexit referendum in June 2016; and the third by Boris Johnson, following May's failure to gain the support of Parliament in relation to a Brexit trade agreement which triggered the leadership election of summer 2019. However, in social policy terms, the period was in many ways less notable than the first five years of the 2010s. With the single issue of Brexit absorbing political energies and largely displacing other policy concerns until the COVID-19 pandemic struck. The lack of constructive social policy development during this period contrasts sharply with the rapid pace and scale of change across multiple social policy areas under the Coalition. Moreover, the social policy landscape inherited by the incoming Conservative majority Government following the General Election in May 2015 was heavily influenced by the radical reforms and austerity programme introduced by the Coalition, many of which were in their infancy

or continuing to be rolled out. Indeed, with David Cameron and George Osborne continuing as Prime Minister and Chancellor in 2015, and with public deficit and debt reduction remaining at the top of the political agenda after 2015, there are good reasons for characterising the second decade of the 21st century as a single continuous period in terms of the evolution of social policy - with social policy between May 2015 and early 2020 being viewed as fundamentally shaped and influenced by the approach (or 'social policy regime') of the Coalition.

This characterisation of the second decade of the 21st century as a single period from the perspective of social policy is supported by Glennerster's (2020) typology of broad historical periods in post-war social policy development - with the 2010s characterised as the period of the 'austerity state'. McEnhill and Taylor-Gooby (2018) contend that a structural break in social protection mechanisms occurred after 2010 (on which, see footnote 2). The analysis in this report identifies multiple areas of policy continuity before and after the May 2015 General Election and reports that in key areas of social policy - notably social security - there was not only an 'essential continuity' with the Coalition's social policy approach, but also a further advancement and intensification of key elements of the Coalition's reforms. In addition, our findings reinforce McEnhill and Taylor-Gooby's argument that radical changes in welfare states can come about as a result of the cumulative effects of incremental processes that are sustained over time, as well as through single identifiable ruptures. The major impact of incremental changes to price indexation and the benefits freeze on the protective capacity of the welfare state is a central example.

At the same time, we recognise that there are important arguments for characterising the period under observation in terms of three discrete phases: an initial period of continuity between the Government led by David Cameron and the previous Coalition Government; a period of policy modification under Prime Minister Theresa May following the Brexit referendum, characterized by the 'burning justices' agenda and recognition of the importance of addressing the position of those 'left behind' by austerity; and the period of Boris Johnson's premiership after July 2019, including the early articulation of a post-Brexit 'levelling up' agenda. Moreover, our detailed drilling-down on developments across the ten major areas of social policy covered in this report identifies *changes* as well as *continuities* in social policies during the period under observation. We find that the evidence in relation to the further advancement of different elements of the Coalition's social policy agenda - as opposed to policy modification and reversal - is mixed and we identify some important turning points and new social policy directions and initiatives, as well as areas of social policy continuity and policy intensification.

Our analysis of public expenditure developments between May 2015 and early 2020 is also a nuanced one. We find that growth in public expenditure on the welfare state and public services remained low by the standards of

the first decade of the 21st century and declined in per capita terms, and that 'selective austerity' continued with some key social policy areas continuing to be de-prioritised and recording real-terms cuts between 2014-15 and 2019-20. Our social security analysis shows that public expenditure on benefits and tax credits in Great Britain was cut by £6bn between 2014/15 and 2019/20. Declines were concentrated on child related expenditure, which fell by £10bn in real terms during the second decade of the 21st century (between 2009/10 and 2019/20), with most of the cuts in child related expenditure occurring during the period of majority Conservative Government, whilst pensioner-related spending was £12.5bn higher. Public spending on early childhood in England stands out from our analysis as another key loser, with a cut in combined real-terms spending on services and benefits for the under-fives. Public health allocations to local government were also cut in real terms.

At the same time, we find that public expenditure during the period was substantially greater than the plans put into place after the May 2015 General Election had initially suggested and that there was progressive fiscal easing over the period, with Theresa May declaring the 'end of austerity' in 2018. In addition, some areas of social policy which had recorded real cuts under the Coalition recorded positive growth during the current period – for example, while adult social care remained chronically underfunded throughout the period, it did experience positive growth in public spending between 2014/15 and 2018/19. Looking across the welfare state and a core set of public services, there was low growth in total public expenditure compared to a real-terms cut under the Coalition, with annual growth accelerating in 2019/20 *prior* to the COVID-19 pandemic. And while there was no end in sight to austerity for the social security budget on the eve of the pandemic, uplifts in other areas such as health were set out in pre-pandemic public expenditure plans.

Looking across the ten SPDO social policy areas, we find that the protective capacity of the welfare state was eroded in multiple ways, especially in relation to working age adults and children. There was a weakening of the social safety net for non-pensioner groups, with a reduced capacity to protect working age people and families with children from poverty. Resource, workforce and capacity pressures had built up across multiple public services simultaneously, resulting in a failure to meet current needs, compromising quality, and eroding the resilience of public service to shocks. For example, in health, total public expenditure remained historically low and the period was characterised by repeated warnings from authoritative bodies and health experts in relation to resource limitations, workforce shortages, increasing waiting times and winter pressures. The cuts in public health allocations to local authorities limited scope for the 'bottom up' drive on preventative health and health inequalities that had been promised at the time of the Coalition's health reforms, while continued chronic under-resourcing in adult social care meant that the gap between need and the capacity to supply coordinated, comprehensive and high-quality care

remained wide. The school system also came under increasing strain, with a rise in pupil-teacher ratios and long waiting lists within the Special Educational Needs system, while prison conditions deteriorated to the extent that basic standards of decency were compromised.

We further identify that while the welfare state and public services were adapting to the rising and different needs and circumstances of the 21st century during this period, they were not doing so in full. Population ageing and longer survival with conditions such as Alzheimer's disease, dementia and frailty, technological change, the changing labour market and changing family structures continued to pose major adaptation challenges across multiple areas of social policy, resulting in new inequalities. Moreover, while there was more emphasis on skills in the context of the post-Brexit agenda, social investment in human capital at different life-stages continued to be given insufficient priority.

Our analysis of *outcomes* across the SPDO social policy areas points to a slowdown in social progress and a widening of deep structural inequalities across multidimensional areas of life on the eve of the pandemic. We show that key indicators of social progress had already slowed down, stalled or gone into reverse by early 2020 when the public health crisis struck. The individual SPDO social policy analyses identify key areas of concern. The results of the SPDO indicator set assessment exercise, which uses the most recent data available at the time the analysis was undertaken to examine change in key SPDO indicators between 2015 and early 2020 by characteristics including socioeconomic deprivation, ethnicity, disability, sex, age and area type, provides more systematic evidence on patterns and trends in social inequalities in the run up to COVID-19. We find that social inequalities remained a major source of social injustice on the eve of the COVID-19 pandemic and that there was mounting and strong evidence that social inequalities across multiple and critical areas of life were on a worsening trajectory *prior* to the onset of the pandemic. These pre-existing patterns of risks and vulnerabilities are critical context for understanding why the pandemic played out in the way that it did. The report identifies major concerns around eight key areas of stalling social progress: child poverty; in-work poverty; inequalities in early childhood; educational inequalities; mortality and life expectancy inequalities; inequalities in unmet need for care; physical safety and security outcomes including violence, homicide and knife crime; and homelessness.

In addition to identifying serious concerns about the state of social policies and social inequalities on the eve of the pandemic, and despite the overriding political focus on the single issue of Brexit from May 2015 until the moment the COVID-19 pandemic struck, our drilling down on developments across ten major areas of social policy between May 2015 and early 2020 does identify some 'positives'. These include the increase in the employment rate during the period, which meant that labour market participation was historically high on the eve of the pandemic, while the

proportion of the population relying exclusively on out of work benefits was relatively low. The period saw the introduction of the National Living Wage and a new flagship childcare policy; policies associated with positive outcomes relating to minimum wages, labour market inequalities and maternal employment. The roll-out of Automatic Enrolment for workplace pensions also proceeded as planned. Rates of participation in higher education continued to increase in the run up to the pandemic, while inequalities in higher education participation continued to narrow. The NHS also stood out in international comparisons as being highly equitable; integrated health and social care, dignity strategies and mental health all moved up the policy agenda; and while new anti-obesity measures were critiqued for their limited scope, the new sugar levy was positively evaluated. Other 'positives' of the period include policy on homelessness, a public health approach to violence, gender pay gap monitoring, the race equalities audit, and reviews and initiatives on non-standard work, post-16 education and domestic abuse.

Overall though, our central conclusion in this report is that the second decade of the 21st century was in many respects a decade of going backwards rather than forwards in terms of reducing social disadvantage and social inequalities through social policy making. While substantial progress was made in reducing the public spending deficit and the public debt in the 2010s, this was coupled by major failures in social action. Social arrangements that were in place to ensure the protection of disadvantaged groups, distributional equity, the expansion of capabilities and the reduction of poverty and social inequalities fell short. The capacity of the welfare state and public services to meet current needs was eroded, while in a number of areas progress in improving social outcomes and reducing social inequalities had slowed down, stalled and / or gone into reverse. As a result, on the eve of the COVID-19 pandemic, there was over-exposure to downside risk individually and collectively across multiple domains of life and under-protection from its consequences. While our evaluation stands in its own right as an assessment of the social policy record of the Conservative Governments of this period, it also provides critical context for understanding subsequent events and the reasons the pandemic was experienced in the way that it was.

In the period after our analysis in this report finishes - the period of the pandemic itself - the triple challenges of virus control, social protection and public service delivery have tragically shone a light on the limitations and weaknesses of the welfare state and public services we identify in this report, as well as the extent of pre-existing social inequalities. The pandemic has put the spotlight on the key social policy failures and omissions of the period, including the ongoing failure to deliver social care reform, as well as the failure to fully deliver and resource the "bottom up" drive on preventative health and health inequalities that was promised as part of the Coalition's health reform programme. Conversely, the pandemic has also shed new light on the 'positives' of the period. For example, policy

lessons and insights from the period on homelessness were important in informing the “Everyone In” strategy during the first wave of the pandemic in early 2020. The rolling out of digital access to Universal Credit also proved to be an important advantage for the substantial numbers of new claimants transitioning onto benefits following the first lockdown.

The massive scale of the Government’s fiscal response to the pandemic has been historically unprecedented and has included substantial public expenditure on social protection. Critical interventions have included measures to increase the levels of welfare entitlements (including by temporarily increasing Universal Credit and Housing Benefit), as well as the establishment of the furlough scheme, the Job Retention Scheme and the Self-Employment Income Support Scheme, and support for the non-statutory sector in relation to food distribution. Early analyses suggest that during the early phase of the pandemic, Government interventions substantially mitigated the distributional impact of the crisis on household incomes and were important in containing poverty and inequality (Bourquin *et al.*, 2020; Brewer and Gardiner, 2020; HM Treasury, 2020b; Jenkins, 2020). Yet at the time of writing, there is a substantial and expanding evidence base on persistent reduced income and increasing hardship during the pandemic³. Moreover, the evidence from the SPDO programme suggests that the scale of the UK’s fiscal response to the pandemic is explained in part by the limitations of the pre-existing social security system including very low benefit levels as well as social protection gaps for precarious workers. Other research also identifies lower rates of income replacement for working age employees compared with European countries (many of which have strong social insurance systems and more effective automatic stabilisers) as having resulted in higher discretionary pandemic public expenditure in the UK. The focus in UK social security on minimum income assistance (rather than wage related income replacement) meant that when the pandemic struck, the Government found it necessary to create new social protection schemes from scratch within a short time window (OECD, 2019a; Emmerson and Stockton, 2020; Hughes, 2020).

Looking forward, we argue that it is critical that the social policy lessons from the second decade of the twenty first century are not obscured by the

³Substantial increases in the numbers of people using food banks for the first time are reported in Trussell Trust (2020). A recent report by the Resolution Foundation identifies substantial proportions of households reporting reduced income and some groups falling between social protection gaps; mounting financial stress and increased borrowing to cover the everyday costs such as housing and food; and a substantial proportion of those recording persistent reduced income lasting several months struggling with essentials such as fruit, vegetables and heating (Handscomb and Judge, 2020). Increased costs amongst those with low incomes are reported in Brewer and Patrick (2020). The impact of benefit debt and deductions on those using foodbanks is identified in Trussell Trust (2020) and hardship amongst those on legacy benefits (particularly impacting on the disabled, sick and carers) is examined in JRF (2020b).

enormity of the pandemic itself. As Britain enters into the recovery phase from COVID-19, it will essentially be faced with the same fundamental challenge that it faced at the beginning of the 2010s: namely, the need for an overall policy framework that combines a process of public deficit and debt reduction with the demands of social justice. Following on from a decade of austerity, in the wake of Brexit and given the seismic new additional challenges resulting from COVID-19 and its consequences, the challenges for the 2020s now dwarf those of the 2010s. Yet the public health emergency has tragically demonstrated the critical and urgent importance of establishing a more generous and effective multidimensional guarantee that meets the changing needs and circumstances of the 21st century across different social policy areas; that prevents the transmission of downside risk across multiple domains; that results in lifetime accumulation of human capital; and that provides effective individual and collective protection from and resilience to (multidimensional) shocks.

The aims of the SPDO research programme have not been to offer detailed social policy recommendations or funding proposals for the upcoming period. However, we identify key social policy challenges for the 2020s within each of our individual social policy papers and in the SPDO Brexit paper (Stewart et al, 2019). These show that on the eve of the COVID-19 pandemic, the extent of the social policy challenges were already formidable and that addressing the social policy deficits highlighted in this report already entailed fundamental reforms and investments across the ten SPDO social policy areas. Our cross-cutting analysis also highlights the importance of a new overarching set of social arrangements and a joined-up set of social reforms that can address each of the five cross-cutting deficiencies in the welfare state and public services identified above. This requires addressing the erosion of the protective capacity of the welfare state that occurred during the second decade of the 21st century. In addition, a series of social reforms are required to ensure that the welfare state and public services are fully adapted to the circumstances and experiences of the new decade including population ageing, changing family structures, the changing labour market and technological change, and are designed both to meet current needs and to guarantee lifetime resilience under contemporary conditions. There needs to be a new focus on social investment and investment in people and on forms of social action that addresses 'pre-distribution', lifetime guarantees and resilience across multiple domains of life, as well as more traditional forms of re-distribution and public service provision. Finally, new social arrangements are required to ensure that there is no return to the stalling social progress of the pre-pandemic period and as a foundation for establishing a positive trajectory of improving social outcomes and reducing social inequalities during the third decade of the 21st century.

Looking across the different SPDO social policy areas, we complete this report by setting out five cross-cutting lessons and insights from the pre-pandemic period about the nature of the new social arrangements that are

required going forward. These are: sustainable and equitable funding models; multidimensional interventions that join up different areas of social policy and extend across multiple areas of life; strengthened social accountability mechanisms and social rights to drive up social outcomes and reduce social inequalities; strategies and policies that give genuine first priority to the needs of the most disadvantaged and reducing social inequalities; and new values-based approaches to social policy grounded in principles of dignity and respect, recognition and social value. We put forward these cross-cutting insights and lessons from the programme as an input into broader discussions and debates about the importance, opportunity and potential for a transformational new social settlement – a new ‘Beveridge moment’ – as Britain moves into the recovery phase from COVID-19.

Organisation of this report

Following on from this introduction and overview, this report is organised as follows.

- **Section 2** examines the background to social policy developments over the period including the broader context for social policy developments between May 2015 and early 2020 (**section 2.1**) and the social policy landscape facing the incoming majority Conservative Government when it came to power in May 2015 (**section 2.2**).
- **Section 3** sets out our overall assessment of social policy developments within and across the ten SPDO social policy areas during this period. We begin by setting out our overall assessment of policy developments across the social policy areas (**section 3.1**). The subsequent sub-sections provide an overall assessment of trends in public expenditure across the ten social policy areas (**section 3.2**) and use the SPDO indicator set to make an overall assessment of selected outcomes and how different groups fared during the period 2015 to pre-COVID 2020 (**section 3.3**).
- The next ten sections (**sections 4-13**) set out key findings for each of the ten SPDO social policy areas covered in this report. These are: social security (section 4); employment (section 5); early childhood (section 6); compulsory school age education (section 7); higher education (section 8); health (section 9); social care (section 10); physical safety and security (section 11); homelessness and complex needs (section 12); and social mobility (section 13).
- Finally, **section 14** sets out our overall assessment of social policies and social inequalities on the eve of the COVID-19 pandemic. We identify some of the key positive policy developments in the run up

to the pandemic (**section 14.1**), key limitations and weaknesses of the welfare state and public services (**section 14.2**), key insights and lessons (**14.3**) and concluding observations (**14.4**).

2 Context and inheritance - Polly Vizard and Polina Obolenskaya

This section examines the background to social policy developments under the three Conservative Governments that were in power between May 2015 and early 2020. We begin by discussing the underlying context for social policy making between May 2015 and pre-COVID 2020, including underlying economic factors and drivers, the fiscal deficit, demographic pressures, key events and the broader political context (section 2.1). We then examine the social policy landscape facing the incoming Conservative Government when it came to power in May 2015. This was heavily influenced by the austerity programme and the radical reforms introduced by its predecessor, the Liberal Democrat-Conservative Coalition Government (also led by David Cameron), many of which were in their infancy and / or were still being rolled out following the May 2015 General Election (section 2.2).

2.1 The context for social policy making between May 2015 and pre-COVID 2020

Politically, the period was a tumultuous one - with three separate Governments and the Brexit referendum in 2016

Politically, the period between May 2015 and pre-COVID 2020 was a tumultuous and unstable one which saw not *one*, not *two* but *three* Prime Ministers in power. The Brexit referendum on 23rd June 2016 resulted in the resignation of David Cameron and Theresa May becoming Prime Minister. May's first speech on 13th July 2016 on the steps of Downing Street set out an agenda for social change that highlighted the importance of overcoming social divisions and creating "a Britain in which burning injustices are tackled and overcome" (May, 2016). However, the single issue of Brexit dominated the political agenda and absorbed political energies for the next two years before the Conservative Party leadership contest of summer 2019 resulted in May's resignation and the transfer of power to Boris Johnson. Following the rollercoaster summer of 2019, which saw the Supreme Court overturn Prime Minister Boris Johnson's proroguing of Parliament, the landslide victory achieved in the December 2019 General Election appeared to have consolidated Johnson's hold on political power. The UK left the EU and entered transitional arrangements on 31st January 2020, just before the COVID-19 pandemic struck.

The incoming Conservative Government led by David Cameron faced a substantial fiscal deficit when it came to power in May 2010

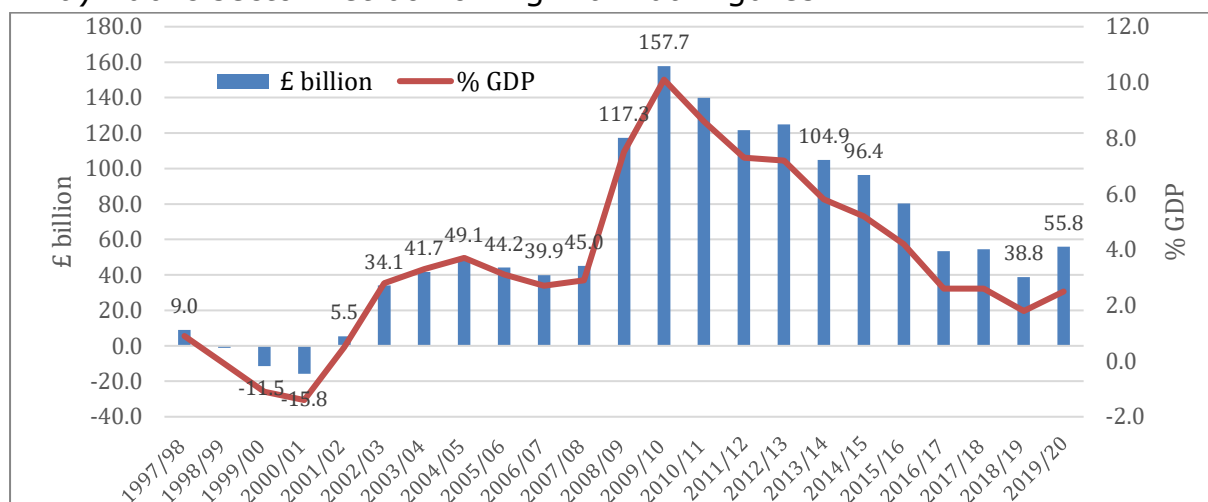
The cold climate for social policy making in the period following the 2007/8 financial crisis and the subsequent economic recession was discussed in our previous *Social Policy in a Cold Climate* research programme (referred to in this report as the SPCC research programme). The fiscal deficit had increased from £45bn in 2007/08 to £157.7bn in 2009/10, meaning that when the Conservative-Liberal Democrat Coalition Government came to power in 2010, it inherited a very sizable fiscal deficit that amounted to 10.1% of GDP. Public debt also began to climb following the 2007/08 economic crisis, increasing from £545.6bn to £982.8bn between 2007/08 and 2009/10 (62.8% of GDP). As we noted in our previous research outputs, any government taking office in May 2010 would have faced major social policy challenges resulting from this cold fiscal climate. The situation in 2010 required critical decisions to be made about the nature and scope of fiscal adjustment going forward, the timescale over which deficit and debt reduction would be undertaken, the potential for a growth led approach, the role of tax rises versus public expenditure cuts, the distribution of costs of fiscal adjustment and the extent of interventions to protect disadvantaged groups (Lupton et al 2015).

The Coalition identified fiscal adjustment as a key priority in 2010 and adopted austerity as an overarching framework for managing public finances between 2010 and 2015. However, although the public spending deficit was falling when the new majority Conservative government came to power in May 2010, both the fiscal deficit and public debt remained historically high (at £96.4bn and £1,484bn, respectively, and 5.2% and 80.4% of GDP – see Figure 1). As a result, the fiscal climate for social policy making remained extremely ‘cold’ when the new Government came to power, and the challenges of fiscal adjustment continued to be at the top of the political agenda in 2015.

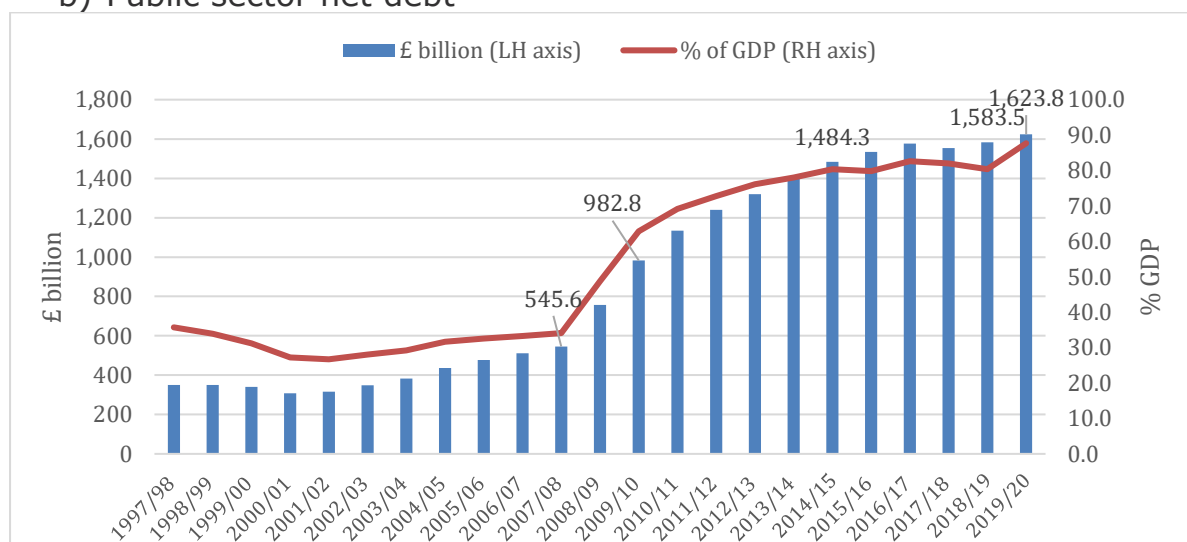
The further progress in deficit adjustment made under the Conservative Governments meant that there had been a further reduction in the fiscal deficit by 2018-19 both in value and as a percentage of GDP, with an uptick in 2019-20 to £55bn and 2.5% of GDP. The increase in 2019-20 is partly (though not completely) explained by the increase in public spending and the decline in GDP associated with the arrival of COVID-19 in the UK in February and March 2020. Public debt continued to accumulate over the period 2014-15 and 2018-19, to £1,583.5bn, with a further increase in 2019-20. As a percentage of GDP, public debt stayed broadly constant until 2019/20 (see ONS (2020h) and Figure 1).

Figure 1 Public sector net borrowing (deficit) and net debt (excluding public sector banks), 1997/98 to 2019/20 (UK)

a) Public sector net borrowing – annual figures



b) Public sector net debt



Source: Underlying data is from ONS (2020h).

The broader economic climate also remained challenging, given the slow recovery from the 2007/8 crisis and the subsequent economic downturn

The broader economic climate also continued to pose challenges for social policy during the period under observation. The slow recovery from the 2007/8 financial crisis and subsequent economic downturn meaning that GDP had only returned to pre-crisis levels in 2013 and unemployment didn't return to pre-crisis levels until 2015 (Office for National Statistics, 2018). GDP growth remained relatively low during the period. Average growth in UK GDP of 3.1% per annum in the ten years running up to the financial crisis contrasts sharply with rates of 1.1 % per annum in the ten years that followed, with a growth rate of 1.4% being recorded in 2019, on the eve of

the COVID-19 pandemic (ONS, 2020b). These slow rates of economic growth have occurred in the context of weak productivity growth that has characterised the period since financial crisis, coupled with Brexit-related economic uncertainty in the period since 2015, which has been identified as holding back investment, and weak global growth after 2018 (IMF, 2018; Bank of England, 2019; OECD, 2019e; ONS, 2020c).

The background of sluggish growth in wages, earnings and household income in the period following the financial crisis and economic downturn in 2007/8 is discussed in Obolenskaya and Hills (2019). Low growth in wages and earnings continued to depress growth in living standards after the May 2015 General Election. While there was some recovery in weekly median earnings over the period, particularly towards the end of the period when the public sector wage freeze ceased to have effect, real earnings for full time employees remained lower in 2019 than they had been a decade previously (ONS, 2019a). Analysis by the Institute of Fiscal Studies shows that in 2019 real average hourly wages remained 2% below where they were in 2007, while median household income growth during the second decade of the 21st century was the lowest since records began, with unprecedented low growth in living standards (Bourquin, Joyce and Keiller, 2020).

More positively, despite the low rates of economic growth over the period, employment rates increased and reached a record high of 76.3% on the eve of the COVID-19 crisis and female labour market participation increased (ONS 2020, no date) (c.f. section 5 and section 14, this report). However, ongoing processes of labour market transformation continued to pose challenges. The period following the crisis witnessed a decline in full time employees as a proportion of total employment, coupled with rising atypical employment including part-time work, self employment, agency work, temporary work, zero hours work, multiple jobs, gig economy work (Taylor, 2017). This trend was been driven by longterm changes including the shift from employment in manufacturing to services, reduced demand for lower skill workers, and globalization and technological change including digitization and automation. The changing nature of work and the importance of a governmental response to these trends - including in terms of improved social protection and social investment in skills - has been recognized in several recent initiatives and reports both nationally and internationally (Taylor, 2017; HM Government, 2018; OECD, 2019d; World Bank, 2019) (c.f. section 5, this report).

Ongoing demographic changes, particularly population ageing, continued to put pressure on the welfare state and public services

Population ageing, with increasing longevity coupled with longer survival with conditions such as frailty and dementia, poses multiple challenges

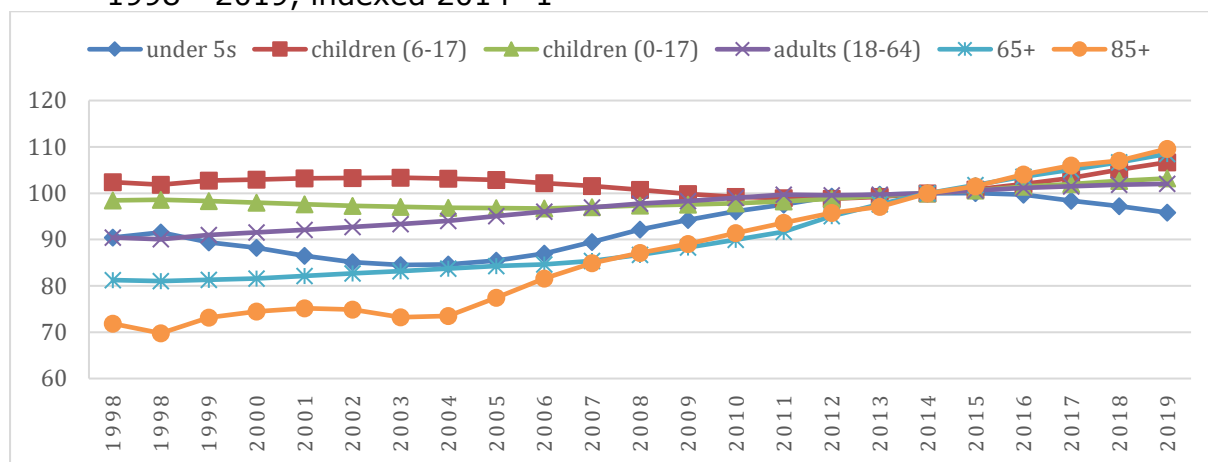
across the welfare state and public services. These include: the financing of pensions and of health and social care systems, where spending per person is particularly high at an older age; the delivery of integrated and person-centred health care services that meet the needs of older people; provision of specialist dementia services; meeting the needs and circumstances of older people living in the community, including adequate support with activities of daily living; and moving towards flexible working and a welfare state that recognizes and supports informal carers.

The UK population grew substantially over the first two decades of the 21st century, from 58.9 million in 2000 to 66.8 million people in 2019. The most substantial growth was among older people aged 65 and above, particularly the 'oldest of the old' (those over the age of 85), who have the highest utilization of health and care. This started in 2004 and steadily continued through the period of Conservative Governments (Figure 2, panel a). Comparing trends during the first and second decades of the 21st century (2000-2010 and 2010-2019), the increase in the number of over 65s accelerated over the course of the second decade (growing by 18%), along with faster growth in the number of children aged 0-17, compared to the first decade. Between 2014 and 2019, the number of adults aged 85 and over increased by 10% from around 1.40 million to 1.65 million. In contrast, there were much smaller increases in the size of the working age population (aged 18 to 64) – their numbers grew by 2% between 2014 and 2019 (Figure 2, panel a). The number of under 5s – another group that tend to need comparatively high social expenditure – declined between 2014 and 2019. However, the number of children aged 6-17 increased, exerting pressure on schools in terms of increasing pupil numbers (c.f. section 7).

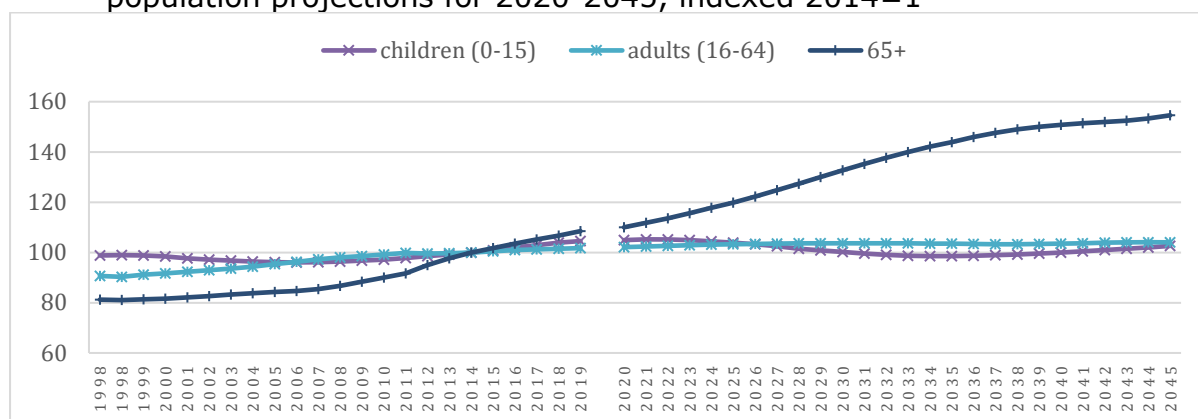
Looking forward, ONS population forecasts suggest a continued increase in the older population (aged 65 and over) between 2020 and 2045, with a projected 45% increase (from 12.6 million in 2020 to 17.6 million) in the numbers in this age group (Figure 2, panel b). The number of over 85s is expected to double over the next 25 years (Office for National Statistics, 2019c), increasing from 1.65 million in 2019 to over 3 million by the mid-2040s. The numbers of working age adults aged 16 to 64 is projected to remain broadly unchanged while the numbers of children aged 0-15 is expected to tail off over the next 15 years or so, before returning to around their 2020 levels (Figure 2, panel b). OBR projections indicate an increase on health and long-term care spending, driven by the ageing population and other cost pressures, such as technological advances, from 8.3% of GDP in 2016-17 to 12.1% in mid-2040s and 14.6% in mid-2060s (Office for Budget Responsibility, 2017).

Figure 2 Population in the UK: estimates, projections and migration

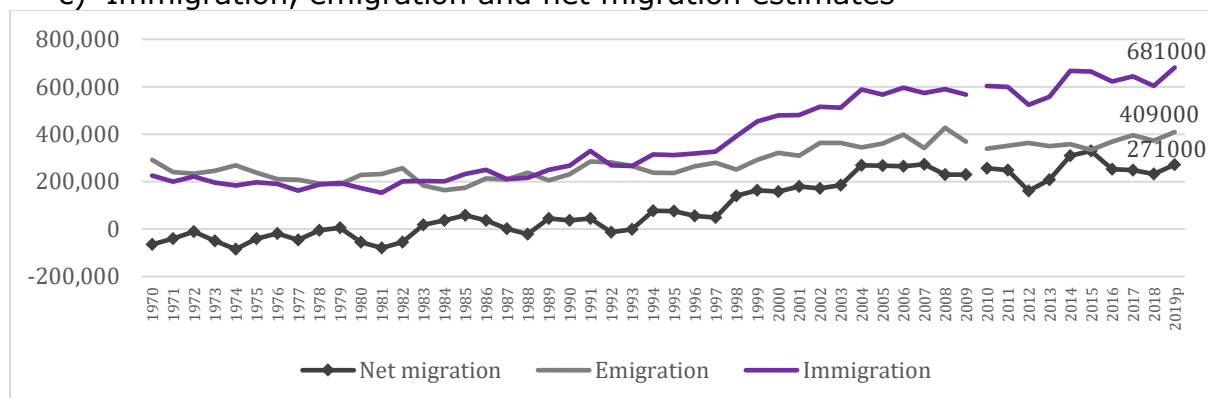
a) Population estimates by age group: under 5s, 6-17, 18-64, 85+ year old, 1998 - 2019, indexed 2014=1



b) Population estimates: 0-15; 16-64 and 65+ year old, 1998-2019; population projections for 2020-2045, indexed 2014=1



c) Immigration, emigration and net migration estimates



Source: ONS (2019c, 2020b, 2020f, 2020g). Notes: a) ONS estimates number in the population at mid-year point; migration estimates are to end of December each year. b). The time trend of migration estimates to 2009 and from 2010 are from two different reports by the ONS, and there are a number of differences in the methodology and adjustments. Please see ONS (2020f) for more details. Estimates for migration are provisional for 2019.

Following a period of growth, net migration peaked in 2015 before falling at around the time of the Brexit vote

The issue of net migration was at the top of the political and media agendas following the May 2015 General Election and the issue of immigration was one of the most important issues underlying the Brexit referendum and Brexit vote. ONS analysis shows that international migration has played an increasing role in explaining the composition of and change in the demographic profile of the UK's population since the turn of the century. While the natural increase in the population (numbers being born versus numbers dying) was a major contributor to the growth in the population between the 1970s and 1990s, increasing levels of net migration (the number of people coming into the UK versus those leaving the UK), has been important since the late 1990s. In addition to contributing directly to population growth, net migration has a secondary impact via its subsequent effect on births as young immigrants start their families in the UK (Office for National Statistics, 2020g).

Net migration was low between the 1960s and the late 1990s and in some years more people left the UK than arrived (see Figure 2, panel c, above). There were increases from the late 1990s onwards due to a rapid increase in the number of migrants arriving in the UK. There were substantial increases during the period of three Labour Governments between 1997 and 2010 and while there was a fall in 2012 - around the time of a sharp decline in non-EU migrants - net migration continued to increase rapidly in most years under the Coalition and was at a peak in 2015. There was a subsequent fall in 2016, around the time of the Brexit vote, with further reductions in 2017 and 2018, and a small increase in 2019, with net migration remaining below its 2015 level at the end of the period (see Figure 2 in ONS (2020f)). Nevertheless, the overall trend was one of growth during the second decade of the 21st century, with net migration remaining above its 2010 level (256,000) at 271,000 in 2019 (see Figure 2, panel c).

Changing household and family structures continued to pose new challenges for social policy between May 2015 and early 2020

Changes in household and family structures continued to pose new challenges for social policy between May 2015 and early 2020. Over the last two decades, the number of people living alone, the number of multigenerational families and the number of nondependent children living with parents have all increased (ONS, 2019b) while the importance of welfare states in rich countries adapting to the changing needs and circumstances of single parent families has been highlighted internationally ((Bradshaw, Keung and Chzhen, 2018; Cantillon, Collado and Mechelen, 2018; OECD, 2018). The UK has one of the highest shares of children

growing up in single parent families (Harkness and Salgado, 2018) with one fifth of children growing up in single parent families at any one time (Department for Work and Pensions, 2020b) and up to 44% of children living in single parent families during childhood (Harkness and Salgado, 2018). The prevalence of child poverty amongst children growing up in single parent families is relatively high in the UK and the goal of increasing labour market participation rates amongst single parents has been an important focus of employment and welfare policy for two decades. The UK evidence suggests that as the incidence of single parenthood has increased over time, divergent outcomes amongst the children of single parents associated with social class and resources have become increasingly apparent (Harkness and Salgado, 2018).

New devolved powers at the country and city-region levels increased divergence in some social policy areas

Devolution arrangements are an increasingly important dimension of the context for social policy making in Britain, especially in relation to health, social care, early years, compulsory education, further education and higher education, and there were some important changes in both country and city-region devolution arrangements during the current period. A SPDO research paper examines recent developments relating to housing, taxation and social security in Scotland following the devolution of some social security benefits and the ability to make some adjustments to Universal Credit. Powers in housing were used to protect and expand social rented housing, while new powers over income tax were used to construct a (somewhat) more progressive income tax structure, and new institutions in tax, social security and fiscal oversight were introduced. Specific measures that aimed at 'mitigating' national UK-wide policies, including those associated with austerity and welfare reform – such as measures that aimed to mitigate the impact of the "spare room subsidy" and enhancements such as bringing carers' assistance up to Job Seeker's Allowance levels – were introduced. The Scottish Government also sought to create a rights-based approach to social security founded on principles of dignity and respect (Stephens and Fitzpatrick (2018)).

New arrangements for city-region devolution in England also began to alter the context for social policy during this period, as new Combined Authorities were established and city-region Mayors elected. By 2019, Mayoral authorities were in place in Greater Manchester, the Liverpool City Region, the West Midlands, Tees Valley, the West of England, Cambridgeshire and Peterborough, Sheffield and the North of Tyne, as well as London. These new leadership arrangements along with the devolution of certain social policy powers and funds opened up possibilities for 'joined up' approaches across economic and social policies – e.g. seeing better jobs as a route to better health - and arguably for more integrated and co-produced social policy responses to local conditions and needs. The most extensive changes

came about in Greater Manchester (GM), where new governance structures were established, bringing together ten local authorities and other partners to plan and deliver a GM strategy, with integrated health and social care arrangements and pooled budgets and new policies and programmes being developed in employment, health and social care, and crime and policing. These were characterised by an increasing focus on early intervention and prevention; co-ordination of services in local places; the adoption of GM-wide standards and approaches (e.g. to commissioning and procurement); and greater responsiveness to local people and service users. These developments put a new focus on geographical disparities in outcomes and on the potential roles of subnational authorities in 'levelling up'. However, it is early days in terms of the assessment of these arrangements, and there are important qualifications and limitations to the process of city-region devolution that the Coalition and Conservative Governments put into effect. These include: the patchy and partial nature of policy devolution (e.g. adult education is the only element of the education system that is devolved and there is no devolution of social security); lack of fiscal devolution; and the difficulty of large scale reform at a time of large scale public expenditure cuts and constraints (including cuts that specifically impacted on devolved areas of social policy such as adult education) (Lupton et al., 2018).

There were two major tragedies during the period, while landmark legal judgements influenced social policy developments in several areas

The period May-2015 to pre-COVID 2020 witnessed two major tragedies, with important implications for social policy. The first was the fire at Grenfell Tower, North Kensington, in 2017, in which seventy two people died and large numbers of others were injured. The fire raised major issues about social housing provision, regulation and management; the duty of the state to protect life and the safety of those in high rise buildings and buildings with cladding; voice and influence of tenants; and social class and inequalities. The second was the Windrush scandal that was revealed in 2018 whereby substantial numbers of people who had originally migrated to the UK from Commonwealth Countries between 1948 and 1971 (the so-called 'Windrush generation') were wrongly detained, threatened with deportation or deported, and denied legal rights and access to benefits and public services such as housing and health. An official inquiry in 2020 (Williams, 2020) linked the scandal to the 'hostile environment policy' introduced by the Coalition and extended by Conservatives (on which, see further discussion below).

Other notable developments related to the role of the Courts between May 2015 and early 2020. The period is widely perceived as one of increasing judicial activism – with the willingness of the Courts to strike down executive measures reflected in the ruling that the Johnson Government's

proroguing of Parliament was unlawful in the summer of 2019. In social policy, key elements of the Government's welfare reforms have been challenged and on occasions overturned in the courts during the second decade of the 21st century, with implications for policy, resources and costs in some cases. This included a key judgement that found that Personal Independence Payments policy was discriminating against those with mental health problems. In contrast, the Courts have ruled in favour of both the Westminster and Scottish Governments in defending landmark public health measures against corporate challenges. Specifically, the Courts intervened in the context of corporate challenges to government anti-smoking regulations, by enforcing public health exceptions to competition law, and by rejecting challenges to minimum unit alcohol pricing in Scotland (c.f. Cooper and Hills (forthcoming), Vizard et al. (forthcoming)).

The context for social policy making was radically altered by the result of the Brexit referendum in June 2016

Overall, however, the most far-reaching change in the context for social policy making during the period under observation resulted from Prime Minister Cameron's decision to hold the Brexit referendum in June 2016. The potential implications of Brexit for social policy and distributional outcomes in the UK were examined in a further SPDO background paper. This reported that the single issue of Brexit dominated the political agenda and absorbed political energies during the period under observation - with so-called Brexit 'bandwidth effects' displacing other concerns and resulting in a *lack* of constructive social policy development and reform during the period (on which, see section 3.1). In addition, Brexit posed a series of new social policy challenges within and across the ten SPDO social policy areas, as well as having potential further implications for social disadvantage and social inequalities in the medium term. For further details, see Stewart et al (2019).

2.2 Inheritance: the legacy of the Conservative-Liberal Democrat Coalition

In May 2015, the incoming majority Conservative Government led by Prime Minister David Cameron faced a social policy landscape that had been transformed in major respects by its predecessor, the Conservative-Liberal Democrat Coalition. Moreover, there was an essential continuity in relation to fundamental social policy goals before and after the May 2015 General Election. The previous Conservative-Liberal Democrat Coalition had itself been led by David Cameron as Prime Minister, while George Osborne was Chancellor throughout the Coalition's period in power and also continued in

this position within the new majority Conservative administration. Social policy developments under the Conservative-Liberal Democrat Coalition between May 2010 and May 2015 were examined in our previous Social Policy in a Cold Climate research programme (referred to in this report as the SPCC research programme). Here, we draw on our findings from the SPCC programme to assess the Coalition's legacy and the social policy landscape facing the incoming Conservative Government in May 2015⁴.

The Coalition undertook a programme of radical reforms, with major developments across multiple area of social policy including social security, education and health

Looking at policy developments between May 2010 and May 2015, the Coalition's period in power was an extremely intensive one for social policy making, with the Coalition **introducing radical reforms simultaneously across multiple areas of social policy**.

- **Social security, pensions and employment:** the Welfare Reform Act 2012 set in motion a major overhaul of working age benefits and tax credits, bringing most of them into a single system (Universal Credit), which was designed to simplify and rationalise benefits and to eliminate disincentives associated with transitions into work. Pensions were reformed - with a series of changes to tax relief and new arrangements for both private and state pensions – while pensions were protected through the 'triple-lock'. A new Work Programme was also introduced. While work search conditionality and contracting out arrangements had been included within the New Deal Programmes under Labour (1997-2010), these were intensified under the Coalition. There was a major shift towards punitive sanctions, with failure to comply with work search conditions resulting in the imposition of harsh penalties via the benefit system.
- **Education.** There were major changes in all areas of curriculum, qualifications and assessment with the objective of making qualifications tougher and thus raising standards. The school system was transformed through a rapid expansion of the academies programme and the introduction of 'free schools', with a corresponding decline in the role of local authorities.
- **Further education, higher education and skills.** For FE, VTE and adult learners, there were changes to the quantity and quality of apprenticeships while for adult learners, loans were introduced. In higher education, tuition fees were tripled.

⁴See footnote 1 above for further details of the SPCC research programme.

- **Health:** The Health and Care Act 2012 brought about a major programme of organisational reform emphasising commissioning, competition and decentralisation, while public health was devolved to local government.
- **Social housing:** providers were encouraged to seek more private funding for new homes, charge rents closer to market levels, and move away from 'tenancies for life'.

We argued in Lupton et al. (2015) and Lupton et al. (2016) that collectively, these policy developments amounted to a radical restructuring of public services and welfare state institutions. The Coalition's reform programme built on the ideas set out in its Programme for Government and its new public services model. The Programme for Government highlighted the potential for era-changing change and set out a vision for a radical, reforming government based on a far-reaching critique of the role, scale and functions of the central state under Labour (1997-2010) and a major commitment to deliver a "smaller" central state and a "smarter" government. This was to be achieved through a radical decentralisation of power, with pledges to a substantial transfer of power and control from central government to local authorities, local communities and individual citizens. In addition, there was a commitment to a programme of public services reform. A new public services model signalled a major change in the role of the central state in public services. Under the new model, there would be a shift away from direct state provision. The central state would function as a guarantor of public services access and quality and would retain a key role in terms of defining outcomes and setting standards. However, this would be within the context of a mixed economy of public, private and third sector providers and a framework of competition and commissioning. The aim of the new public services model was to replace top down forms of bureaucratic control with a "bottom up" process of public services improvement and a "self-improving dynamic" that would eliminate the need for political intervention and centrally imposed targets (HM Government, 2010, 2011, 2013; Vizard and Obolenskaya, 2015).

Multiple policy developments under the Coalition were informed by these ideas. For example:

- **Specific policy reforms delivered on commitments to public services diversification.** This includes the diversification of educational provision in the form of academies and 'free schools', increased emphasis on contracting in employment services and the reforms of healthcare brought about by the Health and Care Act 2012 - which established new statutory duties on the government of the day to improve health outcomes and reduce health inequalities, while limiting its duties in relation to direct provision (Vizard and Obolenskaya, 2015).

- **The localism agenda.** The Localism Act 2011 envisaged a major new role for local government, including in relation to housing and homelessness, and introduced new rights and powers that were intended to empower local communities. In social security, the discretionary element of the Social Fund was replaced by a local assistance scheme and Council Tax Benefit was devolved, while local housing allowances played an increasing role within the housing benefits system.
- **Public health and police commissioners:** specific measures to deliver the decentralisation of public services included the devolution of public health functions to local authorities, and the strengthening of the accountability of police services to local communities, through the introduction of new elected Police Commissioners.
- **Devolution:** prior to the May 2015 General Election (in November 2014), a devolution agreement resulted in new powers and responsibilities being transferred to the Greater Manchester City region, and the introduction of a directly elected Mayor.

The Coalition's period in power was further characterised by a **shift away from 'progressive universalism'⁵ with eligibility restrictions for some benefits and public services and increasing use of punitive sanctions.** In social security, eligibility was restricted for benefits such as Child Benefit. New conditions were set for out of work benefits and the use of punitive sanctions for non-compliance was intensified. Some public services adopted targeting policies (e.g. Sure Start). Financial responsibility was shifted from the state to the individual in areas of education with substantial increases in university tuition fees in England and the introduction of Adult Learning Loans, and educational support in the form of (16-18) Educational Maintenance Allowance was abolished. In relation to social care, higher thresholds in the assessment of needs for publicly-funded care shifted responsibility to the private realm, to individuals and carers. While the Care Act 2014 provided for a total life-time cap on the total long-term care costs of private individuals which would have counterbalanced this shift towards the private financing of social care, this measure was never implemented.

Additional restrictions on eligibility for benefits and public services based on immigration status resulted from 'hostile environment' policies. In 2012, the then Home Secretary Theresa May, flagged up in an interview with the Daily Telegraph the intention "to create here in Britain a really hostile environment for illegal migration" by restricting access of non-EU nationals to benefits and public services (Kirkup, 2012; Vizard and

⁵The term 'progressive universalism' was used in (Sefton, Hills and Sutherland, 2009) to characterise social policy approaches that combine universal support mechanisms with additional (supplementary) support for disadvantaged groups. For example, child support policies that combine universal Child Benefit with supplementary support for children in low income families.

Obolenskaya, 2015). Following a period of consultation, the Immigration Act (2014) was enacted as a cross-departmental measure which limited access to health, justice, tenancy agreements, marriages and bank accounts based on immigration status. The introduction of more restrictive tests for those who are 'ordinarily resident' based on the immigration status of having 'leave to remain' resulted in a myriad of new administrative categories and a raft of immigration-based eligibility-restrictions to public service and benefit entitlements (Vizard *et al.*, forthcoming; Race Equality Foundation, 2014).

In assessing any Government's social policy record, it is important to examine social policy *omissions* as well as active areas of social policy development and areas of social policy in which a Government has been radically pro-active. **The need for major social care reform was a key policy challenge that the Coalition itself inherited in 2010.** The new Government committed to establish an independent commission to report within a year on how to deliver a sustainable and fair social care system in England and the recommendations of the Dilnot Commission were published in 2011. However, while the Care Act (2014) included some positive new measures, it did not fully reflect the recommendations of the Commission and, as noted above, the central reform to social care financing included in the Care Act was not in fact implemented. This followed on from the failure to deliver social care reform under three terms of Labour Government (1997-2010).

Reducing the fiscal deficit was a key political priority, with the Coalition Government adopting an austerity framework for managing public finances

Turning to the inheritance of the Conservative Government in 2015 in terms of public expenditure, the **Coalition's use of austerity as an overarching framework for the public finances was perhaps its major legacy.** The Coalition Government made the fundamental decision in 2010 that fiscal adjustment - the processes of controlling and eliminating the budget deficits that had accumulated during the financial crisis and subsequent downturn - would be achieved primarily through public expenditure cuts rather than through increases in taxation. This fundamental decision radically changed the overall framework for public finances and the context of social policy making over the period 2010-2015. New fiscal rules were introduced to control and limit public expenditure, by imposing substantial downward pressure on departmental budgets throughout the Coalition's period in power. A legally binding welfare cap that controlled and limited spending on a substantial proportion of social security benefits and tax credits was also introduced, together with additional measures such as a public sector pay freeze (2011-13) followed by a public sector 1% pay cap. The overall austerity framework for addressing the public finances, the new fiscal rules, the legal welfare cap

and the public sector wages cap all remained in place when the majority Conservative Government was elected in May 2015.

'Selective austerity' resulted in substantial public expenditure cuts in de-prioritised areas of social policy

We argued in Lupton et al. (2016) that the application of austerity principles across different social policy areas was not uniform between May 2010 and May 2015 and that the **Coalition's public expenditure approach is best characterised in terms of 'selective austerity'** - with the Coalition prioritising spending in some relatively protected areas while implementing cuts elsewhere. This *reshaping* of the profile of public spending was another key dimension of the Coalition's legacy. Non-protected spending areas included local government, children's services, social care and substantial proportions of the social security budget, and further and higher education. Real cuts in these budgets was combined with 'relative protection' in other areas (e.g. positive real growth in relation to the NHS and schools budgets). Amongst the non-protected spending areas, the biggest 'losers' included local government, social care and the adult skills training budget.

In relation to social security expenditure, overall total spending on social security and tax credits increased under the Coalition (2009/10-2014/15), however, with different trends in relation to different elements of this overall budget. A triple lock system requiring up-rating by earnings growth, inflation or 2.5% (whichever was higher) protected the income of pensioners. In relation to other non-pensioner benefits, a combination of eligibility restrictions and reductions in generosity contributed to the substantial downward pressure on working age and child related social security spending – with real public expenditure on benefit and tax credits related to children *declining* in real terms between 2009/10 and 2014/15 (Cooper and Hills, forthcoming Appendix Table A1).

Even in social policy areas where public expenditure was relatively protected, the growth of public expenditure under the Coalition was exceptionally low by historical standards. For example, the growth of real public expenditure on health in the UK under the Coalition was historically low and lagged behind simple indicators of need and demand.

By the end of the Coalition's period in power, there were signs of adverse developments in relation to some social outcomes coupled with little evidence of further progress addressing social inequalities

Looking at the Conservative Government's inheritance in terms of outcomes, there were some positive developments by 2015, including the recovery of the employment rate and increasing higher education participation rates. However, while recognising that it was too early to tell for some social outcomes due to data lags and lags in policy effects, **our SPCC conclusions noted that by 2015 there were signs of adverse developments in relation to some social outcomes coupled with**

little evidence of further progress in addressing social inequalities.

There had been cuts in many public services including children's services such as Sure Start, with pressure mounting up on other public services, including increasing waiting times for health treatment and lower public satisfaction in healthcare. Moreover, by the end of the Coalition's period in power, there was no evidence that gaps in child development or health inequalities were narrowing, and the prospect of child poverty outcomes based on authoritative forecasts by the IFS and Resolution Foundation looked extremely bleak. In education, disadvantage gaps remained very wide and no visible immediate effects of the pupil premium were evident. Unmet need for social care had increased, together with pressure on informal carers, and homelessness was on an upward trajectory.

Second, the Coalition's policy mix (or 'policy regime') shifted the boundaries of public and private welfare.

Our SPCC analysis concluded that the combination of 'selective austerity' and radical reforms of services shifted the boundaries of what might be thought of as the public and private more rapidly than in previous decades. There was a shift towards private financing and private provision and away from what might be characterised as the 'pure public'. The share of 'publicly financed and publicly provided' welfare within total (public and private) welfare continued to decline and was on a more rapid downward trajectory than during previous periods, while the share of private spending on privately provided services increased (Burchardt and Obolenskaya, 2016). A similar shift could be detected in relation to collective and individual responsibility: the rhetoric and administration of working age social security, for example, became more punitive, including through the use of sanctions and the so-called 'bedroom tax'.

Third, our SPCC assessments suggested that the welfare state was essentially 'doing its job' during the early Coalition period, but that there were signs of a major change thereafter.

The SPCC research programme reported that there was real protection of the value of social security benefits during the first two years of the Coalition. The welfare state continued to function effectively during this period in the sense that tax and benefit policies continued to protect the bottom end of the income distribution up to 2012/13 (Hills, 2015; Hills and Stewart, 2016). However, a series of cuts and reforms from April 2013 onwards, alongside changes to indexation policy, changed the story. Analysis of the effects of tax and benefit changes under the Coalition between the General Elections in May 2010 and May 2015 show overall regressive effects, with substantial losses at the bottom of the income distribution, and with those who lost out including single parent families, larger families and families with young children (De Agostini, Hills and Sutherland 2018)⁶. The final year of the

⁶Distributional analysis is sensitive to a series of methodological choices including choices relating to base period, policy decisions covered, price uprating, size of income groups and take-up assumptions. The analysis in (De Agostini, Hills and Sutherland 2018) shows

Coalition Government (2014/15) witnessed an increase in relative child poverty both before and after housing costs, with after housing cost increases in 2014/15 recorded for children living in single parent families and larger families, children living in households without a working age adult, and children who are disabled or are living with a disabled sibling (Vizard, Obolenskaya and Treebhohun, forthcoming).

Fourth, a key conclusion of the SPCC research programme is that certain groups lost out over the period 2010-2015.

In 2010, the Coalition's Programme for Government noted that while its most urgent task would be to tackle 'record debts', in taking difficult decisions "we will ensure that fairness is at the heart of those decisions so that all those most in need are protected" (HM Government, 2010). The Programme for Government further pledged that vulnerable groups would be protected during the process of fiscal adjustment. It noted under 'deficit reduction' that "[t]he Government believes that it is the most vulnerable who are most at risk from the debt crisis" and that it would "introduce arrangements that will protect those on low incomes from the effect of public sector pay constraint and other spending constraints" (HM Government, 2010). Subsequent statements signalled that the better off would be expected to "pay more than the poorest ... not just in terms of cash, but as a proportion of income as well" (Chancellors speech introducing the 2010 Emergency Budget, cited in Lupton et al. (2016, p. 323)). However, as noted above, the overall effect of the Coalition's tax

regressive effects across most of the distribution with bigger proportional losses at the very bottom than at the very top. This analysis focuses on change between the General Elections in May 2010 and May 2015 and on personal tax (income tax and national insurance) and uses the Consumer Price Index as a basis for price uprating. Sensitivity analysis is undertaken using the Average Earnings Index for uprating and by examining assumptions and results in distributional analysis undertaken by HM Treasury. IFS analysis similarly shows the upper middle of the distribution being relatively protected with those at the very top (those on very high incomes) and those in the bottom half of the distribution losing as a percentage of net income (Adam, Browne and Elming, 2015; Browne and Elming, 2015; Emmerson, 2020). Bigger losses are identified for those on the lowest incomes than for those at the top when the base is May 2010, but if the base is January 2010 the largest losses are experienced at the very top, by those on incomes of over £100,000/year (Browne and Elming, 2015). The sensitivity here rests on whether tax-benefit changes made in April 2010 are treated as part of the inherited system or part of Coalition policy. Most significantly, the top tax rate was increased from 40p to 50p under Labour in April 2010, and was later lowered to 45p by the Coalition. If the inherited system is assumed to be that in place *before* April 2010, on the grounds that the majority of the 2010-11 tax year was under Coalition government, and that Chancellor Osborne could have scrapped the 50p rate in the emergency budget of June 2010 but chose not to, then the Coalition is assessed to have increased the top rate from 40p to 45p, resulting in the top decile experiencing greater proportional losses over the 2010-15 period than any other group. If on the other hand the Coalition is assumed to inherit the system in place in May 2010, including the 50p rate, on the grounds that these changes pre-dated the election and reflected Labour policy, the very top loses a smaller share of income than the bottom of the distribution.

and benefit reforms was regressive and our SPCC evidence base highlighted growing evidence of the failure to protect disadvantaged groups during the period of austerity and welfare reform. Groups identified as key 'losers' from the period included young adults; families with young children; the 'oldest of the old'; disabled people; and the low skilled, driving widening inequalities by geographical area.

3 Looking across the ten social policy areas: overall assessment of social policy developments from May 2015 to pre-COVID 2020 – Polly Vizard, Kerris Cooper and Polina Obolenskaya

Having addressed the Coalition’s legacy and the broader context for social policy making between May 2015 and pre-COVID 2020, we now set out our overall assessment of social policy developments within and across the ten SPDO social policy areas during this period. Section 3.1 synthesises the key policy developments across the ten SPDO social policy areas. The subsequent sections provide an overall assessment of trends in public expenditure across the ten social policy areas (section 3.2) and use the SPDO indicator set to make an overall assessment of selected outcomes and of how each of the SPDO groups fared during the period 2015 to pre-COVID 2020 (section 3.3).

3.1 Overall assessment of policy developments between May 2015 and pre-COVID 2020

Looking across the ten social policy areas, the period was ‘social policy light’ in terms of major new radical thinking and initiatives to improve social outcomes and to reduce social disadvantage and social inequalities

Compared with previous periods we have examined, including the Coalition years (2010-2015) and the period of three Labour administrations (1997-2010), the period of majority Conservative Government between May 2015 and pre-COVID 2020 was characterised by a lack of major new radical thinking and initiatives to improve social outcomes and reduce social disadvantage and social inequalities. As noted above and in our companion paper on Brexit (Stewart, Cooper and Shutes, 2019), a key reason for this was that the focus of Government attention during this period was virtually exclusively on the single issue of Brexit from the moment that the Brexit referendum was announced to the moment the COVID-19 pandemic struck in early 2020. This resulted in de-prioritisation of and failure to focus and deliver on some of the key domestic social policy challenges of the period - such as the urgent need for social care reform.

Another reason for the lack of major new policy initiatives to address social disadvantage and social inequalities during this period relates to the overlapping composition of the Government between the Coalition Government before May 2015 and the majority Conservative Government, particularly from May 2015 to June 2016 (with David Cameron continuing as Prime Minister and George Osborne as Chancellor). This resulted in an “essential continuity” in relation to fundamental social policy goals before and after the May 2015 General Election. The transition to Conservative

majority rule was accompanied by an emphasis on “bedding down” and “roll out” of the Coalition’s reforms, rather than major changes of direction or new “big ideas”. Some of the Coalition’s landmark reforms to the welfare state and public services had been fully implemented in May 2015 when the majority Conservative Government came to power but nevertheless remained in their infancy with a myriad of new organisations and arrangements having been put into place. Other elements of the Coalition’s reform programme - especially the shift to Universal Credit - were only in their very early stages of implementation in May 2015. The sheer scale and controversial nature of the radical reforms introduced under the Coalition across multiple social policy areas between 2010 and 2015 had also resulted in ‘reform fatigue’ – with little appetite for additional major changes or further overhaul of systems and processes in May 2015. Overall, the focus of the incoming majority Government in May 2015 was on social policy delivery rather than social policy innovation.

New thinking about improving social outcomes and reducing social disadvantage and social inequalities *did* accelerate during the second half of the period. As we highlight below, Theresa May’s “burning injustices” initiative was associated with some important new directions and initiatives, with key social outcomes such as mental health and domestic violence moving up the political agenda, coupled with increased focus on inequalities in living standards, mortality and the criminal justice system by characteristics such as socio-economic status and ethnicity. This new agenda provided national recognition of the importance of addressing the position of ‘those left behind’ in the wake of the Brexit vote. Some genuine social policy advances occurred during this period and May’s Government was accompanied by some fiscal easing in key areas such as health and social care. However, the development and implementation of May’s agenda was curtailed by the Conservative Party leadership election in July 2019. Moreover, the social policy innovations of this period were not always backed by resources. For example, the Government’s public health approach to violence - which was adopted in England following its implementation in Scotland - was well received as an innovative multidimensional, preventative and evidence-based approach, but was critiqued for lacking means of implementation in the form of additional resources (c.f. section 11).

Following May’s replacement as Conservative Party leader, the ‘burning injustices’ agenda was supplanted by Johnson’s central idea of ‘levelling up’. This change in narrative explicitly addresses regional imbalances and multidimensional inequalities across critical areas of life including living standards, education and health. However, on eve of the COVID-19 pandemic, the “levelling up agenda” remained undelivered and untested.

While the focus of the Conservative Governments was on Brexit, 'Coalition effects' continued to feed through

While the focus of Government attention was on Brexit, many of the policy measures that the Coalition had brought about in order to achieve its core goals – that is, its core commitment to delivering fiscal adjustment by relying primarily on cuts in public expenditure rather than tax rises, together with key goals relating to welfare reform, “shrinking the central state” and the implementation of a new public services model emphasising competition and provider diversity – continued to feed through. In particular:

- **Coalition 'austerity effects' continued after 2015.** The combined and cumulative effects of public expenditure cuts in social policy areas that were de-prioritised and un-protected under the Coalition such as social care and elements of the social security budget - and of the sustained low year-on-year public expenditure allocations in other areas that were 'relatively protected' such as education and health - continued to be felt after 2015. Changes to social security benefits had already eroded the scope and coverage of social protection and social guarantees prior to 2015, while resource constraints were already resulting in mounting pressure on public services, and these effects continued to feed through after 2015.
- **Coalition 'reform effects' continued after 2015.** Different elements of the Coalition's reform programme were at different stages of implementation and delivery when the majority Conservative Government came to power in May 2015. Major education and health reforms had already been completed and had begun to bed down - but with a myriad of new institutions, bodies, systems and arrangements that were still in their infancy and relatively untested. In relation to welfare reform, much of the transition to Universal Credit was still to be implemented when the new Government came to power in May 2015. The process of implementation of Universal Credit was therefore ongoing with further delays and modifications to the original timetable between May 2015 and early 2020 meaning that the full implementation of this reform remained incomplete on the eve of the COVID-19 pandemic (c.f. section 4 below).

There was an essential continuity between the Coalition's social policy 'regime' and that of the majority Conservative Government between May 2015 and pre-COVID 2020. However, there are important caveats to this overall assessment, with mixed evidence on policy intensification, moderation and turning-points

Looking across the ten SPDO social policy areas, there was an "essential continuity" in terms of the Coalition's 'social policy regime', characterised by the combination of an austerity framework for fiscal adjustment, the shift away from 'progressive universalism' – with reduced generosity and additional eligibility restrictions for some benefits and services – and the radical reforms to the welfare state and public services introduced by the Coalition. In this sense, the second decade of the 21st century can be best characterised as a single continuous period from the perspective of social policy making – as the period of what Glennerster (2020) has coined the period of the 'austerity state'. However, there are some important caveats to this overall verdict of essential social policy continuity between the period of majority Conservative Government between May 2015 and early 2020 and the Coalition period. We acknowledge that the overall picture is far more complex than this overall assessment initially suggests. Looking across the ten SPDO social policy areas and in relation to the different elements of the Coalition's 'social policy regime', the evidence in relation to the further advancement and intensification of the Coalition's 'social policy regime' – as oppose to the modification, moderation and reversal of the Coalition's social policy approach – is very mixed. In some areas there is evidence of the further advancement and policy intensification, while in other areas there is evidence of policy deceleration, turning points and reversals.

Austerity continued after the May 2015 General Election, with tight fiscal rules and legally binding welfare caps continuing to exert downward pressure on public expenditure. However, there was progressive fiscal easing during the period and this was accelerating prior to the COVID-19 pandemic.

Tight fiscal rules and legally binding welfare spending caps remained in place throughout the period as a basis for controlling public expenditure, resulting in substantial downward pressure on public expenditure on the welfare state and public services. The growth of public expenditure under the Conservative Governments outpaced the exceptionally low rates under the Coalition, but remained extremely low by the standards of the first decade of the 21st century (c.f. section 3.3).

In 2015, the then Chancellor George Osborne intensified the Coalition's approach to austerity-based fiscal management by introducing additional

controls on public expenditure for investment purposes and by setting a target for achieving fiscal surplus in 2019/20. In the wake of the Brexit referendum, this target was replaced by the Chancellor Philip Hammond with a new target to achieve budget balance by the 'earliest possible date in the next Parliament'. The Government's fiscal rules were again amended in late 2019 under Chancellor Sajid Javid, with scope for public borrowing for investment purposes increasing again (Conservative Party Manifesto 2019). This change was in line with recommendations by institutions such as the International Monetary Fund which highlighted the importance of expanding pro-growth public investment in an era of low interest rates (Gaspar *et al.*, 2020; International Monetary Fund, 2020). By the eve of the COVID-19 pandemic, the Chancellorship had transferred to Rishi Sunak and the new fiscal rules that Javid had been put into place in late 2019 were already under review. This reflected political pressure from Prime Minister Boris Johnson to further modify the Government's fiscal rules in order to increase the scope for additional current as well as investment spending - viewed as necessary to support the Government's post-Brexit domestic 'levelling up' agenda in the absence of substantial tax hikes.

Legal caps on welfare spending aim to control spending on certain social security benefits and tax credits, and were first introduced by Chancellor George Osborne in 2014. These also remained in place under the period of Conservative majority government, covering just over 50% of total welfare spending. Like the Government's fiscal rules, the welfare cap was subject to a process of modification and adjustment between May 2015 and early 2020, including the introduction of provisions for a 'marginal element'.

Nevertheless, it is important to note that public expenditure over the period was substantially greater than the plans introduced in the 2015 Comprehensive Spending Review had suggested (c.f. section 3.2). Theresa May's premiership was associated with some fiscal easing and a new financial settlement for health announced on the 70th anniversary of the NHS represented a significant uplift compared to previous plans going forward to 2023/24. The 'end of austerity' was also declared by Theresa May in October 2018. The increase in year-on-year public expenditure in the final year of the period under observation (fiscal year 2019-2020) was notably higher than in previous years even before COVID-19 public expenditure effects are taken into account, with public expenditure on capital also increasing later in the administration (c.f. section 3.3 and appendix 2).

Following on the December 2019 General Election and the transfer of the Chancellorship from Sajid Javid to Rishi Sunak, new budget plans were set out on March 11th 2020. The substantial public expenditure increases that were announced in Chancellor Sunak's first budget were not exclusively driven by the COVID-19 public health crisis that was embroiling the country at the time - but also reflect earlier decisions to accelerate public expenditure growth. The March 11th budget included important plans to

increase public expenditure for investment purposes as well as additional commitments to uplifts in current public expenditure in several social policy areas including health and social care, education and policing. Projections by OBR at the time (which did not take account of the COVID-19 pandemic) suggested that these plans would result in the reversal of a substantial proportion of public expenditure cuts in the upcoming period (Office for Budget Responsibility, 2020a).

We previously used the term 'selective austerity' to characterise how public expenditure in specific social policy areas was de-prioritised and cut under the Coalition, while public expenditure in other areas of social policy was protected in relative terms (c.f. section 2.2). 'Selective austerity' essentially continued under the Conservative Governments after the General Election in May 2015 - although with some differences in the social policy areas that were prioritised. For example, there was real growth in public expenditure on adult social care under the Conservative Governments between May 2015 and early 2020, whereas adult social care had been a major 'loser' in terms of public expenditure cuts under the Coalition, while public health was increasingly de-prioritised. Whereas total public expenditure on social security and tax benefits *increased* under the Coalition between 2009/10 and 2014/15, there was a real-terms *decline* under the Conservative Governments between 2015/15 and 2019/20 (see section 3.3 and Cooper and Hills (forthcoming Appendix Table A1)). Pensions continued to be protected and prioritised in relative terms under the 'triple lock' system. However, public expenditure on benefits and tax benefits for other non-pensioner groups was not protected in this way, with public expenditure on benefits and tax credits related to children continuing to stand out as a de-prioritised area of the total social security budget between May 2015 and early 2020 (c.f. section 3.3, section 4 and Cooper and Hills (forthcoming Appendix Table A1)).

At the point at which the COVID-19 pandemic struck, there was no sign of an 'end of austerity' for the 'de-prioritised' areas of the social security budget. Notwithstanding the declaration of the 'end of austerity' in 2018 and the notable fiscal loosening that occurred towards the end of the period under observation, the plans announced in Chancellor Sunak's first budget on March 11th 2020 suggested that the legal welfare cap would remain in force and that strict controls on public expenditure 'within the cap' would continue in the period to 2023/24.

Elements of the Coalition's reform agenda were intensified, with a further deepening of the shift away from 'progressive universalism' – with reduced generosity and additional eligibility restrictions for some benefits and services

Looking across the SPDO social policy areas, there is strong evidence that some elements of the Coalition's reform agenda were intensified after 2015.

In particular, the SPDO social security paper (Cooper and Hills (forthcoming) and section 4 of this report) identifies the different ways in which the Coalition's welfare reform agenda was intensified after 2015.

- There were no further reforms on the scale of the introduction of Universal Credit under the Coalition; but Universal Credit itself began to be rolled-out, albeit with several delays to the original time-table, and some modifications.
- The incremental effects of decisions made under the Coalition as well as further and subsequent additional measures introduced under majority Conservative Government between May 2015 and early 2020 continued to accrue and had big effects over the five year period. This included the incremental effects of the decision to uprate social security benefits using the Consumer Price Index (CPI) rather than the Retail Price Index (RPI) under Coalition, and of the subsequent decision by the then Chancellor of the Exchequer George Osborne to freeze a substantial proportion of working-age benefits including Universal Credit, Job Seekers Allowance, Housing Benefit, Child Benefit and tax credits in 2015.
- Under the Conservative Governments, the shift away from 'progressive universalism' was intensified through the introduction of additional eligibility-restrictions relating to family size. In 2017, a two child limit was introduced, restricting the allocation of income support to families in the form of benefits and tax credits to the first two children (applying to children born after April 2017).
- The regressive effects of overall tax and benefit reforms were also intensified. Previous analysis shows that the overall effects of tax and benefit reform up to 2015 were regressive in that the bottom ten percent lost out most under the Coalition (for details, see this report section 2.2, Cooper and Hills (forthcoming) and De Agostini, Hills and Sutherland (2018)). Extending the analysis to take into account further reforms after the General Election in May 2015, Cooper and Hills (forthcoming) report key analyses that show that the regressive effects of the reforms up to 2015 were compounded by policy developments after that date, with the poorest decile losing the most income (proportionally) and the richest decile gaining most (this report section 4, Cooper and Hills (forthcoming), Bourquin et al. (2019) and Gardiner (2019)).

We noted above that the Coalition's social policy 'regime' was characterised by increased emphasis on benefit conditionality, the extension of application of punitive sanctions and the extensions of immigration status related eligibility restrictions across the welfare state and public services as part of the so-called 'hostile environment'. There is mixed evidence relating to the further advancement of these social policy approaches.

- The SPDO early childhood paper highlights the intensification of benefit conditionality for parents after the May 2015 General Election (Stewart and Reader (forthcoming), section 6 this report). As Stewart and Reader note, the Coalition permitted lone parents to claim out-of-work benefits without actively seeking work until their youngest child was five (this had been reduced from age seven in 2010), although parents of three- and four-year-olds needed to take active steps to prepare for work and attend work-focused interviews. However, from April 2017, the Conservative government intensified this by requiring lone parents of three- and four-year-olds (and second earners in couples) to be available for and actively seeking work, parents of two-year-olds to take active steps to prepare for work, and parents of one-year-olds to attend work-focused interviews.
- While concerns were expressed relating to sanctioning rates under Universal Credit (e.g. Fitzpatrick et al. (2018)), the historical peak of the application of sanctions is generally dated as 2013. Sanctioning rates under Job Seekers Allowance fell after 2013 and continued to fall after the May 2015 General Election (see Cooper and Hills, this report section 4). This decline in JSA sanctions resulted from a modification in administrative and managerial practices rather than an announced change in social policy (Bramley et al. (2018)). However, sanctioning under Universal Credit was increasing until 2017 (c.f section 4).
- Policy measures associated with the 'hostile environment' – introduced under the Coalition in 2012 and underpinned by the Immigration Act 2014 – were further intensified after the May 2015 General Election. The Immigration Act 2016 was introduced to reinforce the 2014 Immigration Act including through the introduction of additional punitive measures. As noted above, the Windrush generation scandal was revealed in 2018 and the 'hostile environment' that aimed to 'make life difficult' for irregular migrants without leave to remain was subsequently recognised as a key factor that resulted in this scandal. Losses resulting from denial of access to benefits, health, education and housing as well as loss of income due to inability to work are all recognised as official grounds of compensation under the official Windrush compensation scheme (HM Government, no date).

The SPDO early childhood paper highlights Sure Start children's centres as another area of social policy in relation to which there was an intensification of social policy after the General Election in May 2015, with no end to austerity driven expenditure cuts and contractions in service provision in sight on the eve of the pandemic. Early justifications of the restructuring of the Sure Start programme emphasized the efficiency of targeted rather than universal service provision in terms of addressing social disadvantage. However, Stewart and Reader highlight evidence that there was a *faster*

fall in the number of children using centres in the most deprived local authorities (22%) than in the least deprived (12%), despite centre closures being concentrated in less deprived areas (Stewart and Reader (forthcoming) and this report, section 6; c.f. Action for Children (2019) and IFS (Cattan *et al.*, 2019)).

The Coalition's decentralisation and competition agendas were intensified in some social policy areas; but in other areas, there is evidence of reversals in approach and / or declining emphasis

Arrangements for country and city-region devolution were further extended. In Scotland, for the first time some social security benefits were devolved (on which, see 2.1 above and Stephens and Fitzpatrick (2018)). Within England, the first city-region devolution arrangements were for Manchester in 2014 under the Coalition; after the General Election in May 2015, there were further deals for additional city-regions and an extension of devolved powers in London and greater Manchester (Lupton *et al.*, 2018).

There were important reversals of the localism agenda in the context of homelessness. The SPDO homelessness and complex needs research paper (Fitzpatrick and Bramley, forthcoming) argues that there was a retreat from localism in relation to homelessness in 2017 under Theresa May and that this was a very important and positive breakpoint. The Homelessness Reduction Act (2017) provided a new national framework of homeless duties; and central funding for Housing First pilots was introduced. Moreover, Fitzpatrick and Bramley argue that there are broader lesson from the experiment in localism undertaken by the Coalition in relation to homelessness policy. In particular, decentralized models of accountability may be inadequate to protect the interests and to address the needs of very disadvantaged groups, particularly when concentration of numbers is low / electoral power is weak and where the groups are not popularly viewed as "deserving" (c.f. this report section 12 and Fitzpatrick and Bramley (forthcoming)).

In health, developments relating to decentralization and competition were mixed.

- **There was an *acceleration* of healthcare localism through the gradual evolution and extension of NHS England policies to implement the integration agenda.** This process resulted in the emergence of a new locally place-based geographical footprint for integrated commissioning (Integrated Care Systems). However, at the same time, Clinical Commissioning Groups have been merging in order to create larger commissioning units, been merging and the functions of NHS England and NHS Improvement have also been merged, pointing towards a process of greater scale in healthcare organisation.

- **The competition rules introduced in the 2012 Health and Care Act continued to provide the context for the organisation, regulation and provision of services under the Conservative Governments between May 2015 and early 2020.** However, the growth of public expenditure on non-NHS inputs slowed down compared to under the Coalition but its expenditure share increased (c.f. Vizard et al. (forthcoming section 6.1)). The issue of sourced contracts within the NHS continued to be controversial after 2015 and the establishment of block whole population provider contracts ('Accountable Care Organisations') was challenged in the Courts. Nevertheless, the SPDO health paper (Vizard et al. (forthcoming), c.f. this report, section 9) finds that there was a growing consensus over the period that integrated health and care requires some reversals of the provisions of the 2012 Health and Care Act relating to competition and the prohibition on anti-competitive behaviour. These provisions were increasingly recognized as a 'legislative barrier' to the establishment of integrated care – a key policy aim of NHS England and the Government. Just prior to the public health crisis that struck in early 2020, plans for an NHS Bill that addressed the need to eliminate the 'legislative barriers' to integrated care had been put forward by NHS England and NHS Improvement (NHS England and NHS Improvement, 2019).
- **In public health, the devolution of public health functions to local authorities were a key element of major reforms introduced under the Coalition.** The Coalition had suggested that the decentralization of public health functions to local authorities would result in a "bottom-up" major drive on health prevention and health inequalities. There is evidence of local innovation in some instances – including in the context of the devolution of health and social care responsibilities in Greater Manchester and in relation to the adoption of a 'social determinants approach' to health prevention and health inequalities in some local authorities. However, the major "bottom-up" drive on preventative health and health inequalities failed to materialise.

In education, there was a substantial extension of the provider diversity agendas after 2015, with the further expansion of academies and free schools. Whereas in the context of public health the role of local government had been extended by the Coalition's reforms, in the context of education form, the role of local authorities was very substantially reduced. The SPDO education paper (section 7) raises concerns that academisation resulted in a lack of democratic accountability and a descent into "hyper-localism" in the run up to the covid-19 pandemic. Conversely, there is also some evidence of a process of vertical integration between educational units - for example, with the emergence of large academy chains and large federations of schools.

There was growing evidence of outsourcing failures and of private service provider vulnerability. Carillion, a major private provider of contracted out public services, collapsed in 2018. The outsourcing of probation services is widely recognized as having failed and plans on eve of pandemic suggested that a strengthening of framework for overall public responsibility and control for rehabilitation services was imminent (Institute for Government (Sasse *et al.*, 2019). In the SPDO paper on physical safety and security, Cooper and Lacey (2019) report that a major renationalisation of the probation system was announced in May 2019, following the poor performance of the twenty-one 'Community Rehabilitation Companies' that were contracted to handle the sentences of those convicted of less serious offences. In early 2019 the National Audit Office reported a 47% rise in the proportion of the relevant offenders being recalled to prison, and additional cost to the taxpayer of £467 million as a result of a poorly calibrated system of payment by results. There were also several scandals relating to outsourced public services during the period, including in relation to mental health services, youth justice services and social care. Warnings relating to the prospect of private social care providers becoming insolvent were common during the period raising major issues of underfunding and rising costs. The Care Quality Commission twice exercised its legal duty to notify local authorities that there was a credible risk of service disruption because of provider business failure in 2018 and highlighted broader concerns that local authority contracts were not covering the true cost of delivering care in late 2019 (Care Quality Commission, 2019, p. 40). The use of Private Finance Initiatives (and their successors PF2), which had been used by successive Governments to fund capital spending on schools, hospitals, roads, prisons and other public services, also slowed down during the period. The abolition of these schemes was announced by Chancellor Philip Hammond in 2018, on the grounds that they had not been good value for money for taxpayers, with a new model for public projects with private capital funding envisaged going forward (HM Treasury and Hammond, 2018).

Burchardt and Reader (forthcoming) examine trends in public and private welfare over this period. This analysis points towards a continuation of the long-term trend away from the pure public model of welfare provision with welfare being both publicly financed and publicly provided. However, the pace of change away from the pure public model may have slowed down after 2015.

Key positive policy developments between May 2015 and early 2020 included the expansion of childcare and the introduction of the New Living Wage

Employment reached a record high during the period and the SPDO employment paper (McKnight and Cooper forthcoming, c.f. this report

section 5) highlights the importance of several policies that were introduced between May 2015 and pre-COVID 2020. The National Living Wage replaced the National Minimum Wage for adults over 25 in 2016. This was both more generous than previous arrangements and was accompanied by commitments for further progressive increases over time. An important caveat to note is that minimum wages target hourly pay not household income and do not – by themselves and in the absence of broader policy interventions – a solution to poverty. Nevertheless, this measure was widely welcomed as a positive policy change with potential to address labour market disadvantage, and McKnight and Cooper report evidence of positive outcomes including an increase in the wages of the low paid and a decrease in earnings inequality. In addition, the new Health and Work Programme was introduced in 2017, providing recognition of the importance of job seeking support for individuals with disabilities; while new labour market equalities initiatives required larger employers to report their gender pay gap.

Other key positives of the period include an expansion of free childcare for three- and four-year-olds of working parents to 30 hours. This development is highlighted in the SPDO early childhood paper as a ‘stand-out’ policy for the under-fives during this period which resulted in positive outcomes. By early 2020, around one-third of three- and four-year-olds (not yet in reception) were attending a funded 30 hour place and there were early indications that the policy had also supported an increase in maternal employment for women with children in this age group (c.f. section 6 this report).

The SPDO social security paper (section 4) further reports that the roll-out of Automatic Enrolment for workplace pensions was completed in April 2019, with all sizes of employer brought in, and minimum contribution rates reaching the full amount planned, 3 per cent from the employer and 5 per cent from employees/tax relief. Cooper and Hills further report that by April 2019, 87 per cent of employees were enrolled in a workplace pension, up from 55 per cent in 2012.⁷

Mental health was given relative priority as a social policy concern between May 2015 and early 2020, with several new measures and initiatives relating to parity of esteem for mental health

A series of positive developments relating to policy evolution on mental health are examined in the SPDO health paper (Vizard *et al.*, forthcoming). Political focus on mental health during this period was reflected in the fact that commitments on achieving parity of esteem and giving equal attention to mental health were included in all three of the Conservative Party Manifestos published during this period. In the wake of the Brexit

⁷ Pensions Regulator (2019).

referendum, Theresa May's "burning injustices" speech moved the issue of mental health up the political agenda.

- The Autumn 2015 Comprehensive Spending Review included a commitment to prioritise mental health spending and a Mental Health Investment Standard (MHIS) and new mental health access and waiting time standards were subsequently introduced.
- An Independent Task Force, the Five Year Forward View for Mental Health, identified a need for additional resources and set out a series of ambitions for mental health to be met by 2020/2021, including ending the practice of sending people out of their local area for inpatient care, expanding 24/7 crisis support and improving access to psychological therapies (IAPT). The recommendations were accepted by the May Government and NHS England (Independent Mental Health Taskforce to the NHS in England, 2016; Parkin and Powell, 2020).
- A suicide strategy was announced and a new role of Minister for Mental Health, Inequalities and Suicide Prevention was created. A Green Paper on children and young people's mental health was published in 2017 (Department of Health and Department of Education, 2017).
- The Government's mandate to the NHS in 2018 included a system-wide transformation in children and young people's mental health with a greater focus on prevention and early intervention, as well as improvements to perinatal mental health (Department of Health and Social Care, 2019b).
- Additional allocations to mental health were announced as part of the new financial settlement for the NHS at the time of the NHS 70th anniversary in July 2018, providing funding for a range of new measures including new children and young peoples' services and school based services, community services, specialist ambulances and A&E support (Sparrow, 2018).
- Findings from a review on mental health support in the workplace were published in 2017 (Stevenson and Farmer, 2017; McKnight and Cooper, forthcoming)
- Findings from a review of the 1983 Mental Health Act were published in 2018. The latter review was a response to rising mental health detention rates and racial disparities and included recommendations to protect individual rights in the context of mental health detention; to end the use of police cells as a place of safety; and measures to address racial inequalities (Department of Health and Social Care, 2018; Parkin and Powell, 2020). Legislation to implement the recommendations of the review and to reform the Mental Health Act were announced under Theresa May but delayed by the Conservative Party leadership election of summer 2019. Prior to the outbreak of COVID-19, the Johnson Government had also committed to legislative reform (Parkin and Powell, 2020).

- Improvement of mental health services was a central focus for the NHS Long Term Plan published in 2019 (NHS England and NHS Improvement, 2019).

Theresa May's premiership was associated with several important social policy innovations and changes of direction in areas such as serious violence, domestic abuse, racial and ethnic disparities, and homelessness

In the wake of the Brexit referendum, Theresa May's "burning injustices" agenda provided a change of direction, with national recognition of the importance of addressing the position of 'those left behind'. Several important social policy advances occurred during this period.

- As noted above, the SPDO homelessness and complex needs research paper suggests an important breakpoint under May in relation to the retreat from localism and the re-establishment of a national framework of rights and responsibilities. The Homelessness Reduction Act (2017) provided a new national framework of homeless duties and a new focus on prevention, while central funding for Housing First pilots was introduced, with early positive impacts (Fitzpatrick and Bramley forthcoming, c.f. this report section 12).
- The SPDO physical safety and security paper highlights several new and innovative polices introduced during this period, including new initiatives on domestic violence and the adoption of a public health approach to violence, following the successful implementation of this approach in Scotland – although the authors point out that this measure was not backed by adequate resources (Cooper and Lacey 2019, c.f. this report section 11).
- A new domestic abuse bill was also advanced under Theresa May. This was important in terms of the establishment of an official recognition of domestic abuse that is not limited to physical violence but that also recognises emotional, coercive or controlling, or financial abuse; improving protection mechanisms, especially the effectiveness of the justice system in responding to domestic abuse; and introducing new statutory duties on local authorities to provide support for victims of domestic abuse and their children in refuges and other safe accommodation. The passage of the bill was delayed repeatedly including during the period in which Parliament was prorogued in 2019, and the new legislation had not been enacted by the eve of the pandemic (c.f. Cooper and Lacey (2019)).
- May's "burning injustices" agenda highlighted mortality and health inequalities as key manifestations of social injustice. As noted above, policy emphasis on mental health was accelerated under May, and several reviews on key equality and human rights concerns in mental health were established (on which, see above). May also introduced the new financial settlement for NHS, which resulted in a substantial uplift in resource allocations to healthcare over above the previous

plans set out in 2015. In addition, declared the “end of austerity” in late 2018.

- On equalities, May established The Race Disparity Unit (RDU). An “explain or change” challenge to central government departments, based on RDU analysis of departments’ own data on differences in outcomes and service provision for ethnic minorities, resulted in new focus and transparency in relation to multidimensional inequalities by ethnicity within Government. The Race Disparity Audit (Women and Equalities Committee, 2018) was undertaken, while new guidance under the Equality Act in 2017 made it mandatory for large employers to publish gender pay gap information. The findings of the Lammy Report (2017) are examined in Cooper and Lacey (2019). Other reviews on racial and ethnic disparities undertaken during the period include the McGregor-Smith review on race in the workplace (McGregor-Smith, 2017), and the Angiolini review, which recommended the complete phasing out of the use of police cells as a place of safety (Angiolini, 2017).
- As noted above, there were important policy advances on homelessness in 2017 under Theresa May, including the Homelessness Reduction Act (2017) which provide a new national framework of homeless duties and the introduction of central funding for Housing First pilots.

While the importance of skills was recognised as part of the post-Brexit agenda, the longstanding neglect of vocational training and education continued

Lupton et al. (2016) examined developments in further and higher education and skills under the Coalition. The background here includes low rates of participation in post-16 education and training in the UK compared to the OECD average during the first decade of the 21st century, and a lower percentage qualified to the intermediate skills level in the UK than in comparator countries such as Germany. While the situation for high skills was better, there were lower levels of investment in higher education in the UK compared to leading competitors. As a result, while economic growth in the UK had been comparatively strong during the run up to the financial crisis of 2007/8 and the subsequent economic downturn, the UK’s comparative advantage in terms of competitiveness and productivity were increasingly viewed as being at risk.

Against this background, Lupton et al. (2016) identify several positive developments under the Coalition between May 2010 and May 2015. These include increasing participation rates in both 16-18 and post-18 education, coupled with a corresponding decline in the proportion of young people aged 16-18 classified as NEET (not in employment, education or training). In addition, the authors note that the substantial increases in higher

education tuition fees under the Coalition did *not* have a significant adverse impact of the participation of students from less advantaged households in higher education. In further education and skills, there were some advances in relation to quality and the development of several new schemes between May 2010 and April 2015, including reforms to apprenticeships and vocational qualifications, and the introduction of a new Technical Baccalaureate.

However, Lupton et al. (2016) note that the Coalition's term in office was notable for the substantial cuts that it made for further education and skills, resulting in falls in the number of places and achievement of qualifications. The Adult Skills Budget is reported to have been cut by nearly one third between 2009/10 and 2013/14 – while the increasing cost of higher education led to a precipitous fall in part-time and mature student higher education participation. Funding from the *Train to Gain* programme was diverted into apprenticeships, with a substantial contraction in class-room and community adult education. This failure to invest in further education and skills is identified as a major weakness of the Coalition's policy framework and as posing a key challenge for the incoming Conservative majority Government when it assumed power in May 2015.

The SPDO education, employment and Brexit papers (c.f. section 7, section 5 and Stewart, Cooper and Shutes (2019)) highlight the continued neglect of skills and vocational training between May 2015 and 2020. While there was increasing profile of the issue with recognition of post-Brexit need and opportunity, little progress was made and in some respects the situation got worse. The SPDO education paper reports that following the introduction of the new apprenticeship levy on larger employers in April 2017, the overall number of apprenticeship new starts fell, with a decline across all levels (intermediate, advanced and higher) for under 19s of 22% between 2014/15 and 2018/19. The paper cites evidence reported by the Social Mobility Commission that the fall in the number of apprenticeship new starts was greater for learners living in the most deprived fifth of neighbourhoods (Lupton and Obolenskaya (2020); for further discussion, see section 14). On a more positive note, the SPDO city-region devolution paper highlights that the de-centralisation of the 19+ adult education and skills budget to the six mayoral authorities and the London authority during the current period as an important policy advance. However, while this has positive potential to produce a more tailored approach to meeting local demand and need, it is important to note that the AEB is only one element of public expenditure on training and skills and comprises only a small part of the overall technical and vocational system. To date, there has been no equivalent devolution of arrangements for apprenticeships or 16-18 classroom-based funding to city regions. Moreover, the overall context of this policy change has been the ongoing budgetary pressures and cuts to the adult education budget (Lupton *et al.*, 2018).

In the broader literature, IFS analysis (Belfield, Farquharson and Sibbets, 2018) shows that further education and skills have been impacted by cuts more than other stages of education during the second decade of the 21st century. The authors examine the total level of day-to-day spending on further education and skills in England from 2002–03 through to 2017–18, including both 16–18 education and adult skills spending (covering allocations from central government, rather than actual spending). This total fell back in real terms between 2009/10 and 2017/18, with real declines in spending on further education for 16–18 year olds in both further education colleges and sixth form colleges, as well as real declines in spending on adult skills. Building on this analysis, Britton, Farquharson and Sibbets (2019) report that total spending on adult education and skills declined by about 25% in real terms between 2009–10 and 2018–19, with real falls under the Coalition, and further falls during the period of majority Conservative Government. This trend was driven by falls in learner numbers, with cuts concentrated in classroom based and community based activities and the winding-down of the Train to Gain programme. As a result, the share of apprenticeships (including both 16–18 and 19+ apprenticeships) in total spending on adult education and skills increased. However, the number of individuals aged 16–18 participating in apprenticeships *declined* between 2010–11 and 2017–18, while the growth in the number of individuals aged 19 or above participating in apprenticeships is mainly explained by transitions from the Train to Gain programme. The authors conclude that a target of creating three million new apprenticeships starts will be missed by a wide margin. However, the increasing number of individuals participating in advanced or higher level individual apprenticeships (A level-equivalent courses or higher) offers potential for higher economic returns. In 2018, May set up a review of post-18 education funding (The Augar Review), which provided recognition of the importance of life-long learning and social investment in adult education skills and set out a series of specific recommendations relating to adult further and higher education. However, Foster (2019) reports that as of late 2019, in relation to adult further education, the Government had not made any decisions in relation to the recommendations set out in the review. McKnight and Cooper reach a similar conclusion relating to the Augar recommendations on higher education (c.f. section 8).

Key social policy omissions and social policy failures over the period had important consequences when the public health crisis which struck in early 2020. The longstanding commitment of successive Governments to reform social care, and the drive on preventative health and health inequalities promised as part of the Coalition's 2012 health reforms, were not delivered.

In making an overall assessment of social policy developments under the period of Conservative majority Government between May 2015 and early 2020, it is necessary to examine social policy omissions as well as areas of constructive social policy development. Here, social policy omissions in the

area of social care and public and preventative health stand out as being particularly serious and neglectful, as well as having particularly catastrophic consequences after the public health emergency struck in early 2020.

On adult social care, we acknowledge that the Conservative majority Government was not the first Government that failed to deliver much needed social care reforms or to establish a financing solution for social care for the upcoming period. The Coalition Government's failure to reform social care also stood out from our previous assessments within the SPCC programme and the urgent and critical need to deliver social care reform was itself a key legacy issue inherited by the Coalition after three administrations of Labour Government.

Public health and health inequalities emerge as another key area of social policy failure during the period May 2015 to early 2020. As noted above, the devolution of public health functions to local authorities was a key element of the major health reforms introduced under the Coalition and it was envisaged that a major drive on public and preventative health and health inequalities would result from this decentralisation of public health functions. However, while public health functions were devolved to local government, the broader context of this reform was the severe constraints to both local government and the local government public health budget over this period and in practice this major drive on public and preventative health and health inequalities was not delivered - with catastrophic consequences in the wake of the COVID-19 public health crisis.

3.2 Overall assessment of public expenditure developments between May 2015 and pre-COVID 2020

'Selective austerity' continued although public expenditure in some social policy areas that recorded cuts during the Coalition recorded real growth during the period of majority Conservative Governments

4 (appendix 2) provides a summary of key findings on trends in real public expenditure between May 2015 and early 2020 from our underlying research papers and associated updates.⁸ Looking across the SPDO social

⁸ In this paper, we take financial year 2014-15 to be the last year of Coalition government administration and we take it as the base year for estimating the changes in expenditure. Change in real terms spending for Conservative government is taken as from 2014-15; annual average growth rates of expenditure from 2014-15 to 2019-20 means averaging across growth rates in years starting with growth between the financial year 2014-15 and 2015-16 and growth between the financial years 2018-19 and 2019-20.

policy areas, we can evaluate public expenditure developments in terms of three clusters: social policy areas that were de-prioritised and cut; social policy areas where public spending was broadly stable; and social policy areas where there was positive real growth.

Cuts:

Public expenditure in several key areas of social policy was cut in real terms since 2014-15. Spending on social security benefits and tax credits fell over the period 2014-15 to 2019-20, with cuts particularly affecting social security related to children. Expenditure on employment fell, although, as indicated below, it is very much interlinked with falling unemployment. Total expenditure on early years, consisting of service expenditure and spending on benefits combined for young children, was also cut in real terms between 2014-15 and 2018-19. Spending on adult skills and learning also continued to be cut (Foster, 2019). Our analysis shows that very substantial spending cuts were recorded within the area of homelessness and complex needs between 2010-11 to 2017-18. Cuts to Local Government revenue continued, although at a slower rate than in the preceding period, 2009-10 to 2014-15.

Stability:

Looking across the other SPDO social policy areas, total school spending on under 16s remained broadly stable (similarly to the preceding period), per pupil spending fell, and spending on 16-18 education continued to decline. Public spending on Higher Education in England remained broadly stable in real terms between 2015-16 and 2019-20 as a result of increasing cost of student loans, but with real terms cuts in direct grants for teaching and research (Bolton, 2020).

Real increases:

Public expenditure on health, adult social care and public order and safety all increased in real terms under the Conservative Governments between May 2015 and early 2020. However, the annual increases in each of these social policy areas remained low historically speaking and the resources allocated did not compensate for the exceptionally low public expenditure in these areas under the Coalition. Increases in public expenditure on health lagged behind increases in need and demand over the second decade of the 21st century as whole, and in England, “relative protection” of the NHS England budget was combined with real cuts to the public health budget. Local authority expenditure on adult social care remained 4.3% below the level of 2009-10, with a declining funding share from direct central grants and an increasing share from ring-fenced revenue (council tax precept, Social Care Support grant, Improved Better Care fund and other grants). While total spending on public order and safety grew in real terms, it remained broadly unchanged per capita, and funding allocations were not uniform across different areas of expenditure, with cuts to spending on prisons, for example. The increased funding for police over the current

period does not compensate dramatic cuts to it over the preceding period reported in Cooper and Lacey (2019).

Trends in local authority revenue and expenditure in England

A decade long cuts to Local Authority revenue to fund local services is cutting across a number of SPDO policy areas. IFS analysis of Local Government (LG) revenues between 2009-10 and 2018-19 and councils' budgets for 2019-20 shows that fiscal revenues fell by 18% (£11.4 billion) between 2009-10 and 2019-20, equivalent to £290 per person (24%) (Harris, Hodge and Phillips, 2019).⁹ The decline in the total revenue to LG is due to cuts to central government funding, particularly in the period between 2009-10 and 2016-17. The introduction of Retained Business Rates from 2013-14 and increases in Council Tax, meant that the decline in central government funding was partially offset by the increases in these areas of revenue in later part of the period, with the overall impact being an almost flat total revenues to LG between 2015-16 and 2019-20 (see Fig 2.5 in Harris et al (2019)) and the balance shifting from central government grants to a greater reliance on raising funds locally. Looking at the two periods – under Coalition Government and under the current Conservative government - total revenue was cut by 12.8% between 2009-10 and 2014-15 (excluding public health grant), equivalent to 16% reduction per person.¹⁰ Over the Conservative period, 2014-15 to 2019-20, the reduction in the total revenue to LAs were less dramatic, with the total cut amounting to 5.7%, and per person cuts of 9.1% (Ibid).

The cuts in revenue funding to Local Government were inevitably reflected in spending on services by local authorities. Local authorities' total spending and spending per person were also cut since 2009-10, with councils more heavily dependent on grant funding (which are more likely to be more deprived councils) seeing higher cuts. While there was a less apparent relationship between deprivation and reductions in revenue after 2015-16, the earlier pattern of regressive redistribution has not been reversed, and per person revenue as well as spending for the most deprived councils relative to least deprived fell overall in the period 2009-10 to 2019-10 (Harris, Hodge and Phillips, 2019, p. 26). Moreover, LA spending cuts fell

⁹ IFS analysis is based on the revenue and spending reported by councils in Ministry of Housing Communities and Local Government's local government revenue expenditure and financing statistics. Not all local government revenue and expenditure is included in this analysis, utilising only revenues for services, which LAs have real control over. The authors therefore exclude income for police, fire and rescue, national park and education services from their work. Some of the adjustments are also made to ensure revenue and expenditure measures are consistent over time, for example by excluding spending on and revenues for public health from longer time-trend analysis as it was devolved to local government between 2013-14 and 2015-16, and making some adjustments to social care spending so that figures are more comparable across years (see Harris et al (2019) for more details).

¹⁰ Authors' calculations using figures supplied by IFS (Tom Harris) via personal communication (October 2020). These figures are underlying the charts and tables in Harris et al. (2019).

unevenly across service areas, with relative protection of Adult and Children's social care and cuts across other areas by nearly all councils - such as on culture and planning but also large cuts to housing (see Figure 2.14 in Harris et al (2019)).

Trends in capital expenditure in the UK

Before moving on to the total public spending (current and capital), we explore the amount of public capital investment that had taken place in the UK over the current period as well as prior to it.

Capital expenditure on services is reported by HM Treasury within Public Expenditure on Statistical Analyses (PESA); it includes total capital spending by function (e.g. health, education, etc.) for 5-year consistent periods, and does not take into account depreciation. These figures show substantial cuts of 18.4% to capital expenditure over the Coalition period (2010-11 to 2014-15), followed by a reversal of the cuts between 2015-16 and 2019-20 over the Conservative period (18.8% increase) (see Table 8 and Figure 47 in the Appendix 2). These trends are reflected across most service areas (PESA's main functions). For the period between 2010-11 and 2014-15, capital spending across all but two areas (general public services and environmental protection) was cut, while it increased across all but two areas (environmental protection and education) between 2015-16 and 2019-20 (authors' calculations using underlying data for Table 8 in Appendix 2). Despite the increase in the overall capital expenditure, underfunding of capital stock for a number of consecutive years over the Coalition period and a slow growth in capital spending the first years of Conservative government, meant that when the rapid increase in capital spending set off in 2017-18, the government had to concentrate their efforts on the maintenance backlog, but despite this, considerable backlog remained in 2019-20.

The Institute for Government research (Atkins, Pope and Tetlow, 2020), shows similar trends in capital spending – a fall over Coalition years and an increase over Conservative, using budgeting capital figures. The authors emphasise that similarly to the Coalition government, the current Conservative government, had struggled to meet their capital budgets plans, and both had underspent on capital by between 3%-6% annually between 2011/12 and 2018/19. Some of this, Atkins and colleagues (2020) point out, was due to transferring capital investment money to meet day-to-day needs; some - due to poor planning of construction projects, reduction in civil staff numbers, and difficulties in agreeing contracts with private companies.

Looking at a longer-term trend in Public Sector Net Investment or PSNI (gross capital investment, minus depreciation), Resolution foundation shows that although capital investment in 2018/19 was at its highest level since the 80s (with the exception of a temporary spike following the 2007 financial crash, and a decline that followed over the Coalition period), it was

still significantly lower than the levels in the 60s and 70s (Whittaker, 2019). Moreover, comparing UK's capital investment as a share of GDP to other OECD countries, the Office for Budget Responsibility shows that between 2007 and 2017 UK's spending was relatively low, and it maintained its position within the bottom quarter, ranked between 23rd and 27th out of 30 countries in every year (Office for Budget Responsibility, 2020b).

Growth in overall public expenditure on the welfare state and public services was low by the standards of the first decade of the 21st century

We now examine the period 2015 to pre-COVID 2020 in the context of trends in overall public expenditure on the welfare state and public services in the UK over the last two decades. For this exercise, we use the consistent time-series data and classifications published by HM Treasury in its Public Expenditure Statistical Analysis (PESA). This enables us to examine overall trends in total (current and capital) public expenditure on the welfare state and public services (and breakdowns of these overall trends) on a consistent basis going back to the late 1990s.¹¹ The definition of overall public expenditure on the welfare state and public services that we adopt covers the following selected PESA categories of services by function: social protection, health, education, employment, housing and community amenities and public order and safety. Not all of these PESA categories map neatly onto our SPDO social policy areas. For example, the social protection classification includes some elements of adult and child social care expenditure. The education category in PESA covers early years, schools, further and higher education in the UK (for further details on expenditure by subfunction, see Appendix A2.4) and so not just expenditure on compulsory education in England which is the focus of our education work in section 7. The total government expenditure on education in PESA excludes the public finance of student loans which is counted as financial transactions and is therefore not included in the expenditure on services framework. Expenditure on homelessness is included within expenditure by Local Authorities, which is not separately identified in the expenditure on services framework we are reporting on in this section. Other PESA categories – health, employment and public order and safety – do correspond to the public expenditure categories we use in the individual social policy chapters. In the analysis of PESA data in this section we also include spending on housing and community amenities as a separate spending category which is not covered in the individual SPDO papers. The PESA categories excluded from our measure of spending on the welfare state and public services are general public services, defence, economic affairs, environmental protection, and recreation, culture and religion.

¹¹ The expenditure framework within PESA is recommended for evaluating long-term changes in public spending across different areas. Expenditure within this framework covers both current and capital spending but excludes depreciation/capital consumption. Figures by subfunction as well as by function and country in the UK are only consistently reported for 5 year periods and so longer-term trends in such expenditure should be treated with caution.

Based on our definition, overall public spending on the welfare state and public services increased from £572.7bn in 2014-15 to £583.1bn in 2019-20¹² in real terms. Together, these comprise almost 73% of total public expenditure on services in 2019-20 in the UK, slightly lower than it was in 2014-15 (74.5%) (see Figure 46 in Appendix 2)¹³.

Figure 3 shows overall public expenditure on the welfare state and public services (panel (a)) and as a share of GDP (in panel (b)). Total expenditure on the welfare state and public services remained almost flat in real terms between 2009/10 and 2018-19, increasing noticeably only in 2019-20. This slow overall growth over the period represents a continuous decline of spending as a share of GDP between 2009-10 and 2018-19 (from 31.0% of GDP to 26.1% of GDP) with a slight increase in 2019-20 (26.4% of GDP). Similarly, expenditure on each of the areas has fallen as a share of GDP over this period. Following the financial crisis in 2007, the economy shrunk and UK saw a negative GDP growth to 2009 (Office for National Statistics, 2018). This resulted in the growth in spending as a share of GDP which is

¹² The latest PESA publication (released in July 2020), covers the outturn figures to end of March 2020 (financial year 2019-20). While the COVID-19 pandemic would have affected expenditure across government departments its impact on spending to end of March 2020 is likely to be relatively limited and the currently reported outturn amounts for 2019-20 within PESA are not significantly impacted by additional expenditure. Firstly, the additional amounts may not have been recorded yet as the departments were given an extended deadline until the end of September 2020 for laying the departmental annual reports and accounts for this year due to the pressures of responding to COVID-19 pandemic and so the expectation is that the outturns for 2019-20 would be revised later in the year (2020). Secondly, the policy decisions related to the extra funding due to COVID-19 pressures to the departments, although announced in March Budget 2020 are not reflected in PESA 2019-20 figures, as the vast majority of these extra amounts were budgeted for 2020-21 (see Appendix

A2.1 for COVID-19 announcements to support the departments for 2020-21; HM Treasury (2020c, pp. 48–51) and The Health Foundation (2020) COVID-19 Policy tracker for more details). The outturn expenditure figures reported in the latest PESA release for 2019-20 are in line with the 2020 Budget (March 11th, updated in March 12th) and are broadly in line with the figures announced in the Spending Round amounts reported in September 2019 for 2019-20 (see Table 2.1 in HM Treasury (2020a)). But as mentioned above, these are likely to be revised at a later date, to take into account updated departmental outturns for 2019-20. In this paper, we therefore consider spending to 2019-20, inclusive, to represent public expenditure on the eve of the pandemic.

¹³ Public expenditure on services covers the welfare state and the selected public services described in this section, as well as general public services; defence; economic affairs; environmental protection; recreation, culture and religion. Essentially, public expenditure on services covers departmental budgets (resource and capital Departmental Expenditure Limits (DEL) and departmental AME, excluding most transfers to other parts of public sector (e.g. Local Government)), with Local Government spending and spending by public corporations added in (see Appendix 2, section A2.2). Public expenditure on services covers approximately 93% of Total Managed Expenditure (TME) - a broader measure of public spending - with the main difference being the inclusion of the general government capital consumption (otherwise known as depreciation) within TME. Analysis by the IFS shows that as a share of GDP, TME remained at the same level since 2007-08 (Zaranko, 2020).

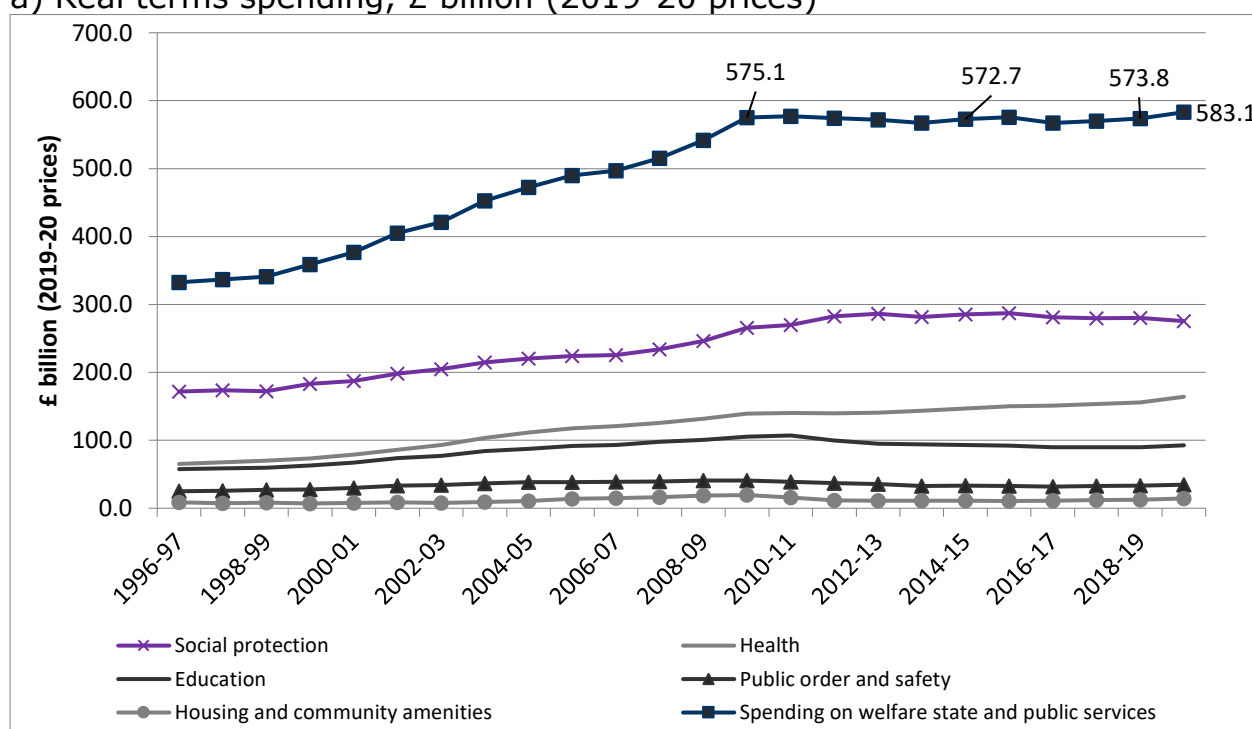
not reflective of a planned spending increase but rather a greater ratio between spending and GDP. If we compare spending on welfare state and public services as a share of GDP in 2019-20 to 2007-08, spending had actually just returned to its pre-financial crash level.

The average annual growth rate of the overall public spending on the welfare state and public services was 0.4% a year between 2014-15 and 2019-20 (or 0.1% per annum if we exclude the last year, 2019-20, from the calculations). This compares with a small negative average growth of -0.1% under Coalition (2009-10 to 2014-15). The average annual growth rate during the second decade of the 21st century as a whole stood at 0.1% per annum (between 2009-10 and 2019-20), and was lower than the growth of 4.8% per annum in the first decade of the 21st century (1999-00 to 2009-10) (see Figure 3, panel c; and Table 6 in Appendix 2).

The small negative growth in total expenditure on the welfare state and public services over the Coalition period and a slow growth over the Conservative period, when combined with a growing population, resulted in a reduction of spending per head over the corresponding periods. Spending per capita fell by 4.0% between 2009-10 and 2014-15, and by 1.5% between 2014-15 and 2019-20 (authors' calculation using figures in Table 5 in Appendix 2). Expenditure per head had grown steadily in the preceding decade, up to and through the economic crisis, reaching a maximum in 2009-10 before levelling out and falling. Spending per head in 2014-15, and in 2019-20, remained at a slightly higher level than in 2007-08 – just before the economic crisis (see Figure 3, panel d).

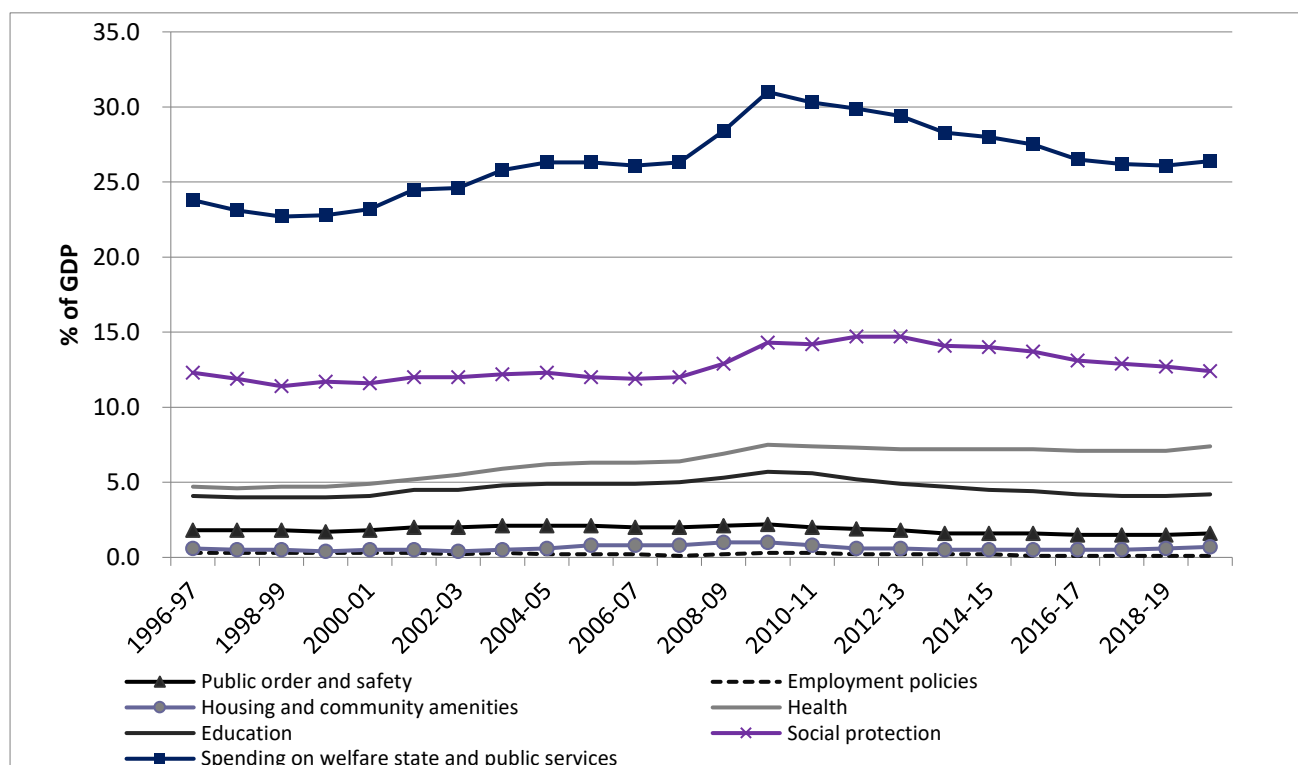
Figure 3 Public expenditure on the welfare state and public services (UK)

a) Real terms spending, £ billion (2019-20 prices)

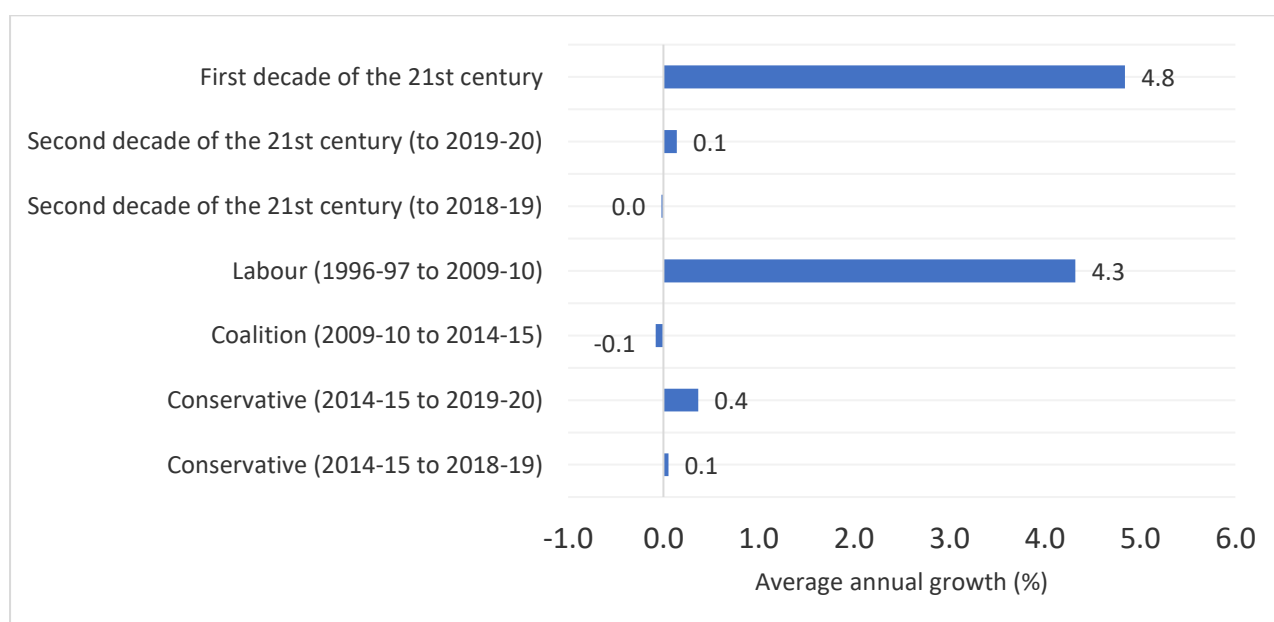


Notes: Employment policies spending line is excluded from this chart due to its relatively small values which would not be visible using the current scale. Spending on employment policies is included within the total expenditure on welfare state and public services. In 1996-97 total public spending on employment was £4.3bn, in 2009-10 it was £4.9bn; in 2014-15 it was £3.1bn, and in 2019-20 it was £2.3bn. Spending on employment policies is included in the total for welfare state and public services line.

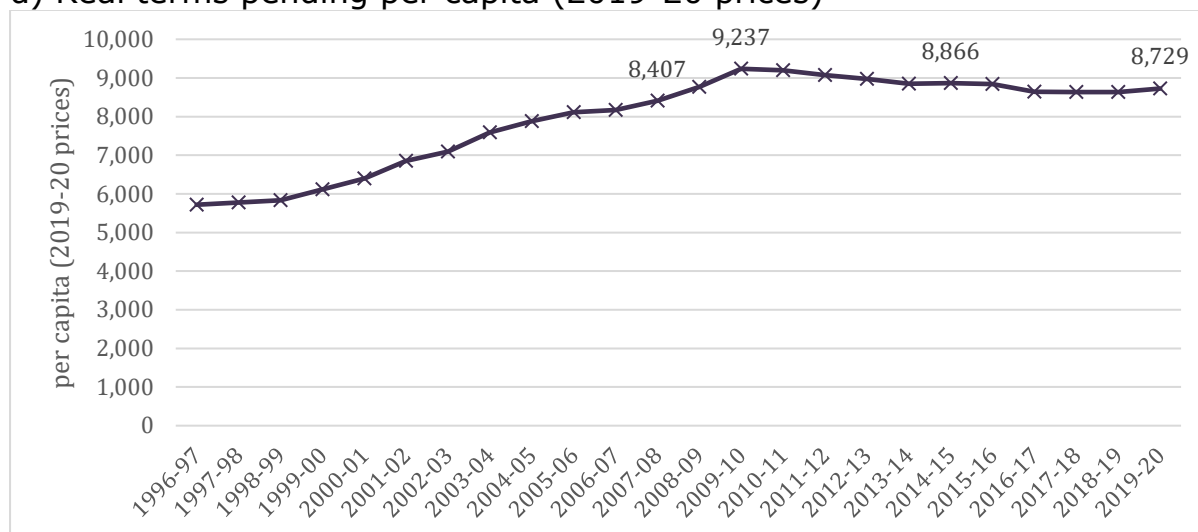
b) Spending as a share of GDP (%)



c) Average annual real terms growth rate in expenditure by decade and political administration (%)



d) Real terms pending per capita (2019-20 prices)



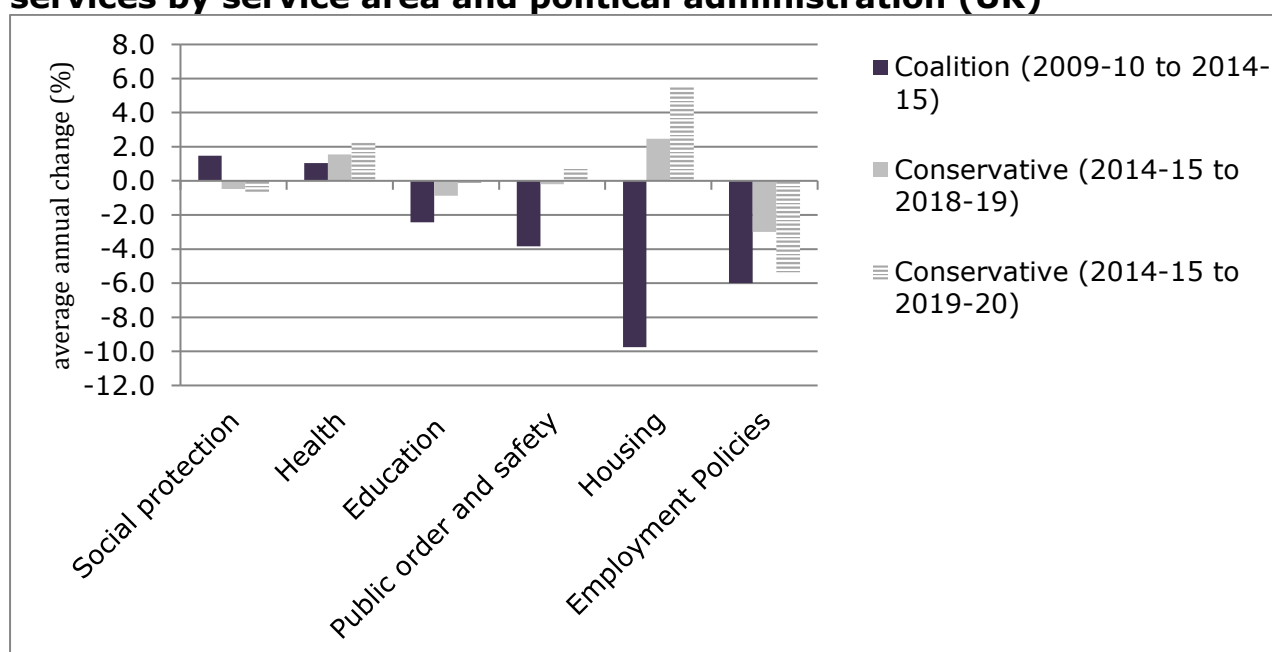
Source: Authors' calculations using real terms figures from table 4.3 and table 4.4 in HM Treasury (2020c).

Next we examine what happened to public spending in each area of the welfare state and public services over the period of Coalition and Conservatives in government.

Since 2015, spending on social protection was cut. Towards the end of the period spending began to pick up for other broad areas including housing and health

Average annual growth rates in spending on the welfare state and public services as a whole for the Conservative period 2014-15 to 2019-20 (Figure 3, panel c), suggest the end of sustained cuts and the beginning of positive growth in public expenditure, especially in the final year, with the important and large exception of social protection (and the smaller exception of employment policies) (Figure 4).

Figure 4 Average annual growth rates in public expenditure on services by service area and political administration (UK)



Source: Authors' calculations using real terms figures from table 4.3 in HM Treasury (2020c).

Spending increases are particularly marked on housing: for example, in 2017-18 and 2018-19 spending increased by 8.3% and 4.2%, respectively. Within this, spending on social housing grew substantially - with 28% real terms increase in LA housing and 167% increase in spending on other social housing between 2015-16 and 2019-20¹⁴, with respective growth rates of 17% and 34% in just the final year (authors' calculations; see Table 7 in Appendix 2 for details).

Housing had seen the largest annual negative growth under the Coalition period (growth rates of -19.6% and -25.0% in 2010-11 and 2011-12 before reducing to around -3% and with some small positive growth in the final year), so this reversal of cuts was particularly marked. However, it is important to highlight that these growth rates started from a much lower base than other policy areas and therefore represent smaller absolute increases in spending, compared to other policy areas (see Figure 6, panel b and Table 5 in Appendix 2). Furthermore, the positive growth in expenditure on housing came after a period of sustained cuts since 2010-11 and so even relatively large increases in expenditure struggled to compensate for the previous period of disinvestment.

Coalition-era 'selective austerity' in the categories of education, public order and safety, and employment policies was initially continued under the Conservative-majority administration, with cuts in 2015-16 to 2017-18. Increases in health expenditures were at historically low levels. However

¹⁴ HM Treasury (2020c) reports on sub-function spending only for a 5 year period on a comparable basis, starting from 2015-16 for the latest figures.

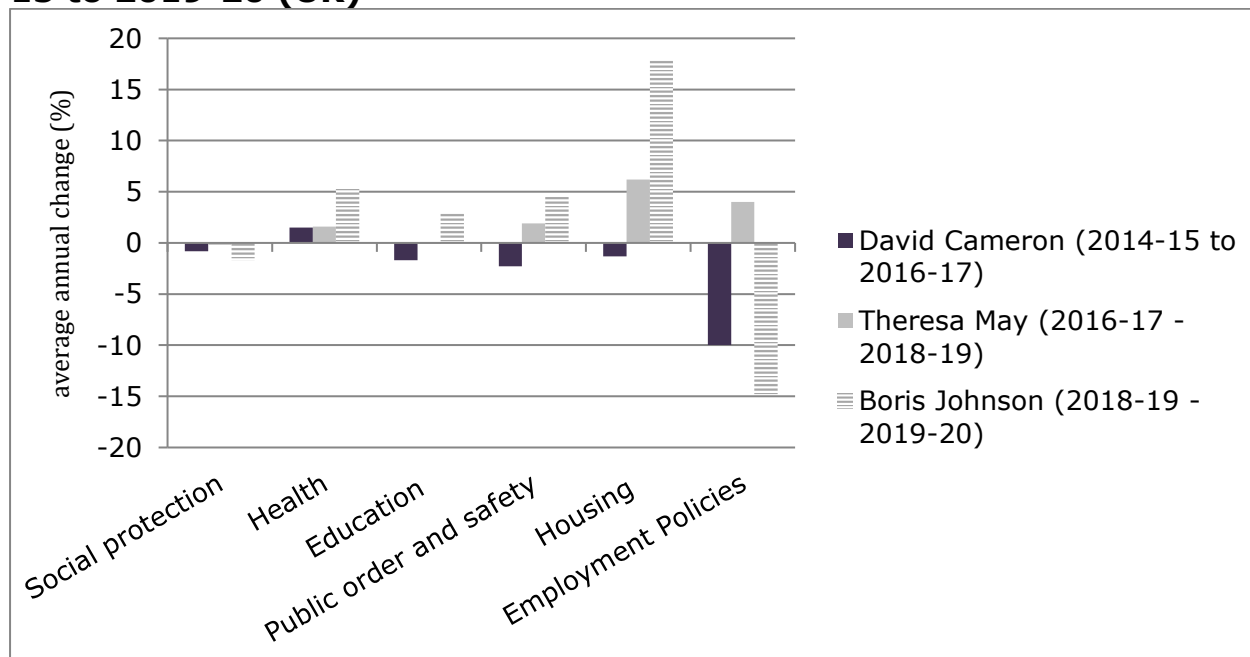
health, public order and safety and education all saw accelerated growth in the year 2019-20 of 5.3%, 4.5% and 2.9% respectively, figures which are in line with the planned pre-COVID-19 expenditure and are unlikely to be driven by COVID-related expenditure in the final month (Figure 5).

By contrast, social protection saw cuts which resulted in a negative average annual growth rate between 2014-15 and 2019-20 of -0.7%, for the first time since 1998-99. These cuts became more pronounced towards the end of the period: spending on social protection saw a reduction in expenditure of 1.7% in 2019-20. The decline in spending on social protection in the last year was reflected across a number of sub-categories, including the largest share of spending - on pensions, but also on housing, unemployment, family and children (see Table 7 Appendix A2.4 for details).

Spending on employment policies also fell, partly driven by a strengthening labour market (see Chapter 5), with an average annual change of -5.4%, again with a particularly large fall in the final year (-14.8% in 2018-19).

As can be seen from Figure 5, the *slow-down* in selective cuts of the Coalition period began under Cameron's leadership in the Conservative administration. However, the more decisive end to negative growth in expenditure took effect under May as Prime Minister with positive growth in expenditure on housing, public order and safety and employment and smaller cuts to education and social protection. Under Johnson's government the growth in expenditure which began under May accelerated more steeply for housing, health, public order and safety and education. However, Johnson's term in office is also marked by larger cuts to employment policies as well as social protection, as previous reforms took effect (on which, see section 4).

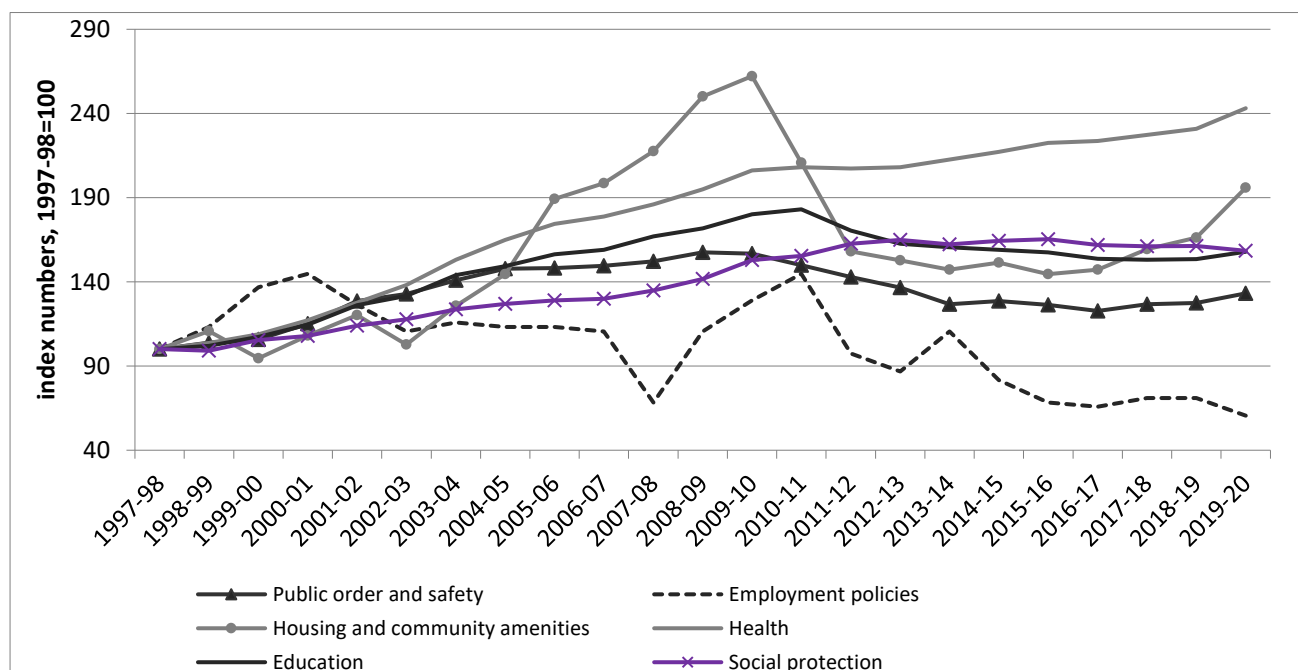
Figure 5 Average annual growth rates in public expenditure on services by function area and Conservative Prime Minister, 2014-15 to 2019-20 (UK)



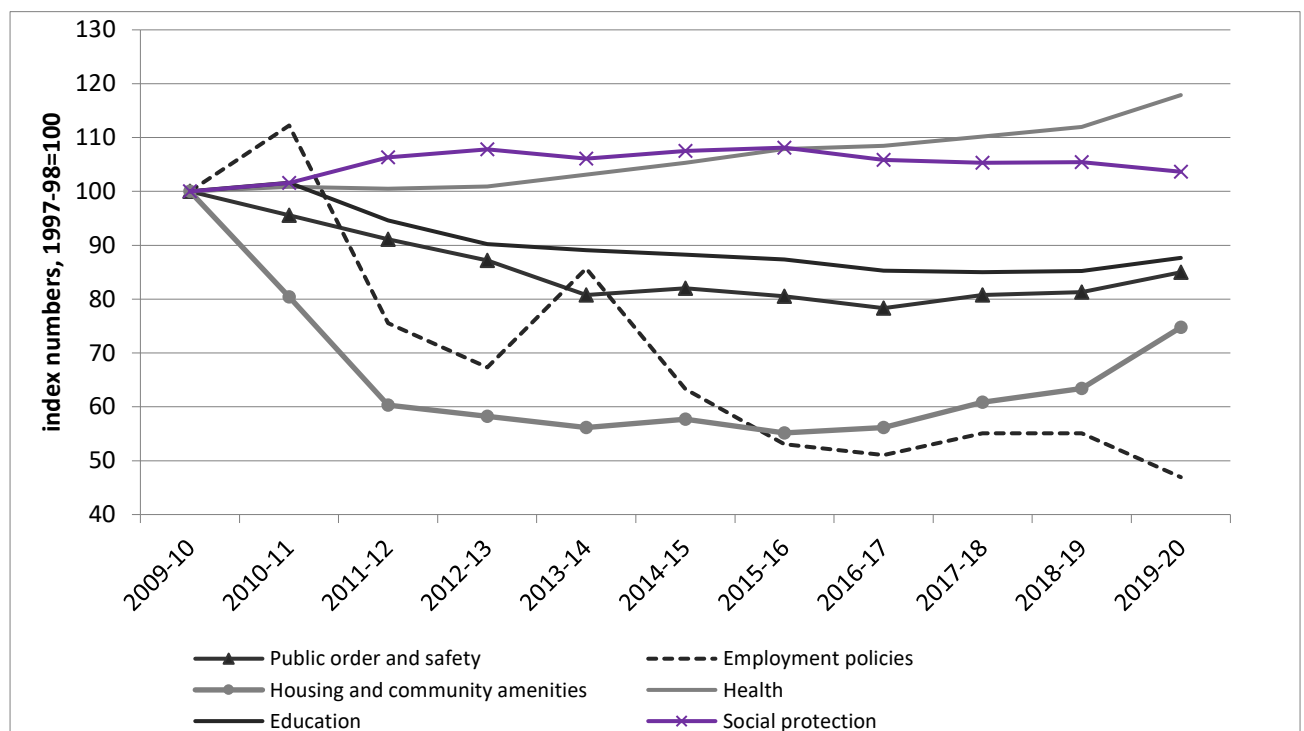
Source: Authors' calculations using real terms figures from table 4.3 in in HM Treasury (2020c).

Figure 6 Real terms expenditure on services by function, indexed (UK)

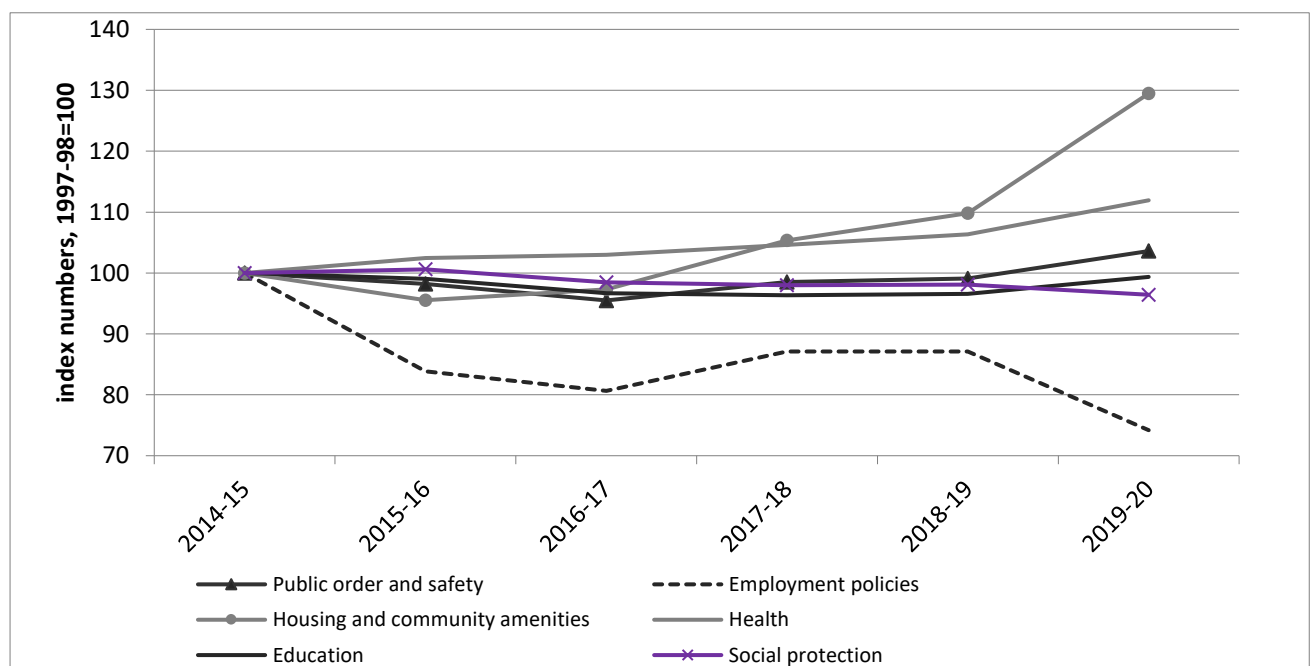
a) 1997-98=100



b) 2009-10=100



c) 2014-15=100



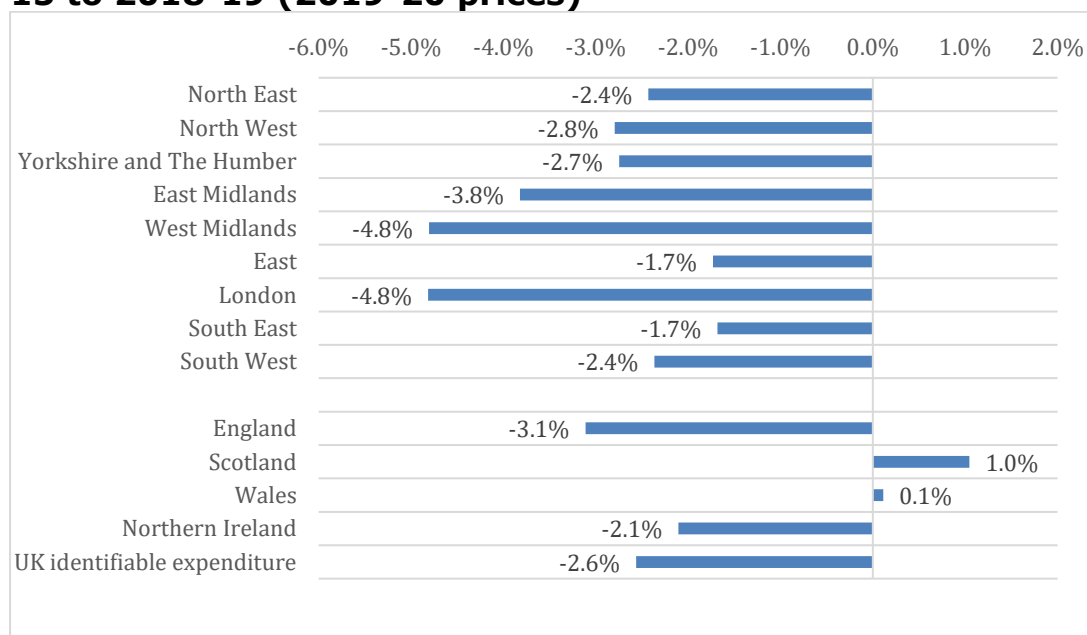
Source: Authors' calculations using real terms figures from table 4.3 in HM Treasury (2020c)

Spending per head grew slightly in Scotland, remained broadly stable in Wales and fell in England and Northern Ireland (2014-15 to 2018-19)

To explore regional variation in expenditure, we draw on PESA's 'UK identifiable expenditure on services'. These are a subset of the 'total expenditure on services' figures reported for the UK (described above), as they exclude categories of spending classified as that 'outside the UK' as well as spending categorised as 'non-identifiable' - expenditure which could not be attributed to regions/country. As per our measure of the total expenditure on welfare state and public services in the UK, figures for *identifiable expenditure on welfare state and public services in the UK* by region/country include spending on: social protection, health, education, public order and safety, employment policies, and housing and community amenities (and so they exclude spending on economic affairs – other than employment policies; general public service; defence; environmental protection; recreation, culture and religion). Identifiable expenditure on welfare state and public services as per our definition therefore constitutes around 87% of the total identifiable expenditure on services in the UK in 2018-19. Below we examine what happened to the identifiable expenditure on welfare state and public services using our definition in the period between 2014-15 and 2018-19. At the time of writing, identifiable expenditure figures by region were not available for 2019-20 – a year which we know saw an increase in funding. We would therefore expect smaller decreases in per capita spending over the period as a whole had 2019-20 figures been included in evaluation of the time-trend, but regional differences are likely to remain.

The total (current and capital) identifiable expenditure on welfare state and public services in the UK remained broadly stable between 2014-15 and 2018-19, growing only by 0.2% in real terms (Table 9 in Appendix 2). Identifiable expenditure on welfare state and public services in the UK *per head*, however, fell by 2.6% during the same period. This was also the case for all English regions and England overall (3.1% cut). Expenditure per head also fell in Northern Ireland (by 2.1%), and remained broadly stable in Wales with a small increase in Scotland (1%) (see Figure 7 below).

Figure 7 Change in the total identifiable expenditure on welfare state and public services by region and UK nation per head, 2014-15 to 2018-19 (2019-20 prices)



Source: Authors' calculations using nominal figures from chapter 9 of HM Treasury (2020c); GDP deflators from the same release; and ONS population estimates (Office for National Statistics, 2020b)

Notes: this expenditure includes spending on social protection, health, education, public order and safety, employment policies, and housing and community amenities which can be attributed to regions and nations. It excludes expenditure on economic affairs – other than employment policies; general public service; defence; environmental protection; recreation, culture and religion

The relative position of the nations in terms of their overall spending on welfare state and public services per capita remained broadly the same over the period 2014-15 to 2018-19. In 2018-19 the highest per capita spending remained in Northern Ireland (£10,253 head), followed by Scotland and Wales with similar levels of spending (£9,554 and £9,451 per head, respectively) and England, where spending remained the lowest (£8,315 per head) (Figure 48, panel a in Appendix 2).

Similarly, the relative positions among English regions were broadly maintained over the period, with slight worsening in London relative to other regions, as it experienced one of the largest cuts overall (4.8%). Still, per capita spending in London (£9,032 per head) was the second highest across English regions in 2018-19, with spending only in the North East being slightly higher (£9,280 per head). Regions in the East of England (South East, East and Eastern Midlands) spent the least per head on welfare state and public services; while North East, London and North West – spent the most (Figure 48, panel b, in Appendix 2).

In London the *cuts* were particularly high on employment policies (15.2%), education (11.7%), and social protection (8.2%), but these were also cut

across other regions. However, in housing and community amenities, expenditure per person grew in London (21.5%), Yorkshire and the Humberside, and the South, but it fell in North East (21.9%), East Midlands (29.3%), West Midlands (24.9%) and in the North West (9.7%) (see Figure 49 in Appendix 2).

In terms of levels of spending per capita in 2018-19, London's expenditure on social protection was the lowest across all regions, and spending on employment policies was around the median value. However, across all other areas on welfare state and public services (health, education, public order and safety and housing and community amenities), London's spending per head was the highest (see Figure 49 in Appendix 2).

Public expenditure under the Conservative Governments between May 2015 and early 2020 was substantially greater than the plans that were initially put into place

The historically low public expenditure on the welfare state and public services reported in the analysis above reflects the tight overarching fiscal constraints discussed in section 2.1. Nevertheless, the amount spent exceeded the amounts that were originally planned at the beginning of the Conservative's period in power, in the 2015 Comprehensive Spending Review set out by the then Chancellor George Osborne. This can be seen by comparing planned RDEL and outturn RDEL, where RDEL refers to government spending on day to day resources and administration each year.¹⁵ The plans set out in the 2015 Comprehensive Spending Review anticipated cuts to RDEL between 2016-17 and 2019-20 of 3.4% (in real terms, using nominal figures from SR2015 and authors' calculations using latest GDP deflators). In contrast, RDEL outturn figures show a positive growth over the period (Table 1), with RDEL increasing by 3.4%. However, the increase is entirely due to the increase in funding in fiscal year 2019-20. Excluding 2019-20 allocations, there was a fall in the resource budgets between 2016-17 and 2018-19 (Table 1).¹⁶ The Institute for Government

¹⁵ Departmental budget plans are set out at Spending Reviews, which take place every 2 to 5 years and focus on allocating budgets to government departments for their day-to-day spending, otherwise known as Resource Departmental Expenditure Limits or RDEL (Wheatley, Bishop and Maddox, 2018). The RDEL excluding depreciation figures were first used in Spending Review of 2010 (to 2015-16) and were continued to be used in later Reviews (HM Treasury, 2020c, p. 16). In July 2020, HM Treasury reported on RDEL excluding depreciation for the period of Spending review 2015 (covering the period 2016-17 to 2019-20) and Spending Round 2019 (covering budgets for 2020-21) (HM Treasury, 2020c, p. 16).

¹⁶ We review these amounts to 2018-19 (initial period of the Spending Review 2015) but also to 2019-20 with the assumption that these represent budgets predating COVID-19 emergency funds, and are broadly unaffected by extra funding to support departments during the pandemic. This is because the majority of emergency funding available to support households and businesses were increased at 2020-21 budgets with the estimates of these amounts and their impact on departmental budgets to be provided later in 2020 (HM Treasury, 2020c, p. 38). The coronavirus outbreak will have also impacted on 2019-20 expenditure across the departments, as HM Treasury points out, which, for example,

has undertaken further analysis of planned RDEL and the latest outturn RDEL figures, taking into account policy changes across government departments, and noting that some of these differences may be explained by changes in classifications (Institute for Government, 2020). However, this analysis concludes that a decision was made to reverse the real terms cuts planned at the 2015 Spending Review because they proved to be “undeliverable or politically infeasible” with virtually all departments spending more than was budgeted for even in fiscal year 2019/20 (Institute for Government, 2020).

Table 1 Total Resource Departmental Expenditure Limits (RDEL), excluding depreciation: comparing Spending Review 2015 and outturn RDEL figures in 2020, £ billion

						Change 2016-17 to 2018-19		Change 2016-17 to 2019-20	
	2015-16	2016-17	2017-18	2018-19	2019-20	Percentage point change (%)	Average annual change (%)	Percentage point change (%)	Average annual change (%)
Planned (nominal, as presented in SR 2015)	315.1	320.8	322.9	325.2	328.3				
Planned as presented in SR 2015 (in real terms, 2019-20 prices)	341.6	339.8	336.2	331.5	328.3	-2.40%	-1.20%	-3.40%	-1.10%
Outturns published in 2020 (real terms, 2019-20 prices)	332.6	322.3	315.7	314.8	333.3	-2.30%	-1.20%	3.40%	1.20%

Source: Nominal figures for budgeted RDEL in HM Treasury (2015b), associated real terms figures are authors’ calculations using GDP Deflators from HM Treasury (2020c). Resource DEL outturns (2020) are from Table 1.6 in HM Treasury (2020c)

includes £3.4 billion of grants to Local Government brought forward to 2019-20 from initially planned budget for 2020-21 (HM Treasury, 2020c, p. 38). However, given the extension to the departments to provide outturns for 2019-20 (to Sep 2020), budget figures reported here for 2019-20 are unlikely to have been significantly impacted by the additional COVID-19 amounts, and will be revised to include these amounts later in 2020.

The UK remained broadly in the same position in terms of relative international rankings in total (capital and current) governmental expenditure on the welfare state and core public services between 2014 and 2018, but its spending as a share of GDP fell.

The OECD government expenditure series based on the System of National Accounts, similarly to PESA, reports on total (current and capital) expenditure on services across OECD countries, covering the same areas of spending¹⁷. Here, again, we focus on government expenditure on the following areas: public order and safety, housing, health, education, and social security, which comprised 73% of the total general government expenditure in 2018¹⁸ in the UK (and 70% across OECD¹⁹). We refer to this total expenditure as total spending on welfare state and public services.

The UK has fallen down in the international ranking across the OECD countries in terms of government spending on welfare state and core public services as a share of GDP between 2009 and 2014: moving from being 7th from the top (highest spending) in 2009, to 14th on 2014 and remaining in the 14th position in 2018. The high relative ranking of the UK in 2009 is partially reflecting the negative growth in GDP between 2007 and 2009, resulting in the higher spending to GDP ratio than planned. If we compare UK's position in 2007, the UK was 12th from the top. This means that UK's relative position changed only slightly between 2007 and 2014, moving down the ranking from the 12th to the 14th across OECD countries (see Table 10 in Appendix 2).

While UK's relative position did not change between 2014 and 2018, its expenditure on welfare state and core public services fell from 31.6% to 29.9% over the period (see Table 10 in Appendix 2).

¹⁷ There are a number of differences between figures reported within the OECD Government at a Glance database and that reported by HM Treasury within PESA releases discussed above, despite being based on the System of National Accounts, with spending by function in both OECD data and PESA reflecting the United Nations' Classification of the Functions Of Government (UN COFOG). Total government spending in the UK as a share of GDP reported by the OECD is higher compared to that we reported from PESA on public expenditure on services above (see Appendix 2.4). For example, in 2019-20, total government expenditure on services in the UK reported in PESA comprised 36.1% of GDP while total government expenditure in the UK reported by OECD was 41% for 2019. OECD figures for the total government expenditure in the Government at a Glance database include depreciation (capital consumption) while PESA's expenditure on services totals do not. OECD figures for total government spending are more in line with PESA's Total Managed Expenditure (TME), which includes depreciation as well as expenditure on public services. PESA's TME comprised 39.8% of GDP in 2019-20 – only slightly lower than that reported by the OECD in this section. Additionally, Government at a Glance database is reporting figures on a calendar years basis, unless otherwise specified, while PESA – on the financial year basis.

¹⁸ At the time of writing, expenditure by function (or service area) for OECD countries was only available up to 2018.

¹⁹ Authors' calculations using underlying figures from OECD (2019f)

Figure 8 shows that in 2018, UK government spending on welfare state and public services was marginally above the OECD average (29.9% and 29.4%, respectively) and above that in the US and Japan (25.3 and 29.0%), but lower than several comparator countries such as Germany (32.8%), Belgium (35.2%), Denmark (37.9%) and France (39.8%).

Looking at the service areas individually, UK government spending as a share of GDP was lower than OECD average in 2018 in relation to education (4.8% vs 5.1%) in relation to social protection (15.0% vs 15.8%), and higher in relation to health (7.5% vs 6.4%), housing (0.8% vs 0.5%) and public order and safety (1.8% vs 1.6%) (Figure 8).

Across all OECD countries **social protection** spending, which includes spending on such areas as housing and unemployment benefits, old age and disability and sickness pensions, comprises the largest share GDP. In 2018, general government expenditure on social security as a share of GDP in the UK was 15.8% - lower than in many comparator counties such as Germany (19.4%), Belgium (19.3%) and France (23.8%) (Figure 8).

The second largest expenditure is on **health**, and in 2018, general government expenditure on health as a share of GDP was 7.5%, lower than in some of the comparator counties such as France (8.1%), Denmark (8.3%), and also lower than US (9.3%) and Japan (7.7%). Compared to the UK, Germany's government health spending as a share of GDP was slightly lower (7.2%) and Belgium's slightly higher (7.6%).

Expenditure on **education**, which includes all spending across all stages of education - from early years to higher education and adult education, was 4.8% of GDP in the UK in 2018 - lower than in France (5.1%) and Denmark (6.4%), similar to that in Austria (4.8%) and higher than in Germany (4.2%). Unlike figures from PESA's expenditure on services framework reported above, OECD reported total government spending on education includes spending on student loans. Spending on student loans is recorded as gross loan outlays, which means that the entire amount of the loans made in a year are included within the expenditure for that year, without subtracting any repayments – whether present or future (UNESCO-UIS and EUROSTAT, 2019). The expenditure on education in the UK reported by OECD is therefore higher than in PESA.

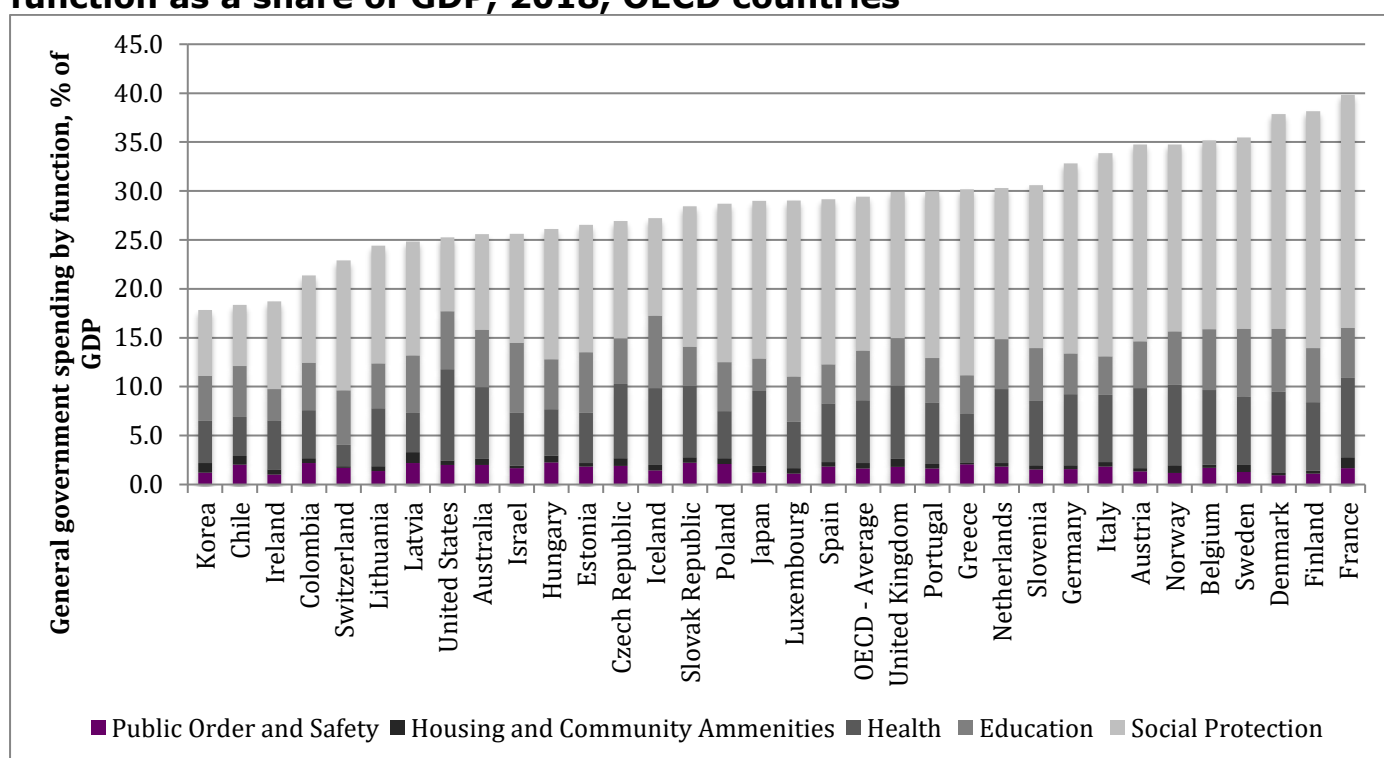
Expenditure on **public order and safety** in 2018 in the UK comprised 1.8% of GDP - higher than in many comparator countries such as Germany (1.7%), France (1.6%), Austria (1.4%) and Denmark (0.9%). It was also higher than in Japan (1.2%) but lower than in the US (2.0%).

And finally, expenditure on **housing** in 2018 was also higher in the UK (0.8% of GDP) compared to some of the comparator countries such as Germany (0.4%), Austria (0.3%), Denmark (0.2%), and lower than in France (1.1%). It was also higher compared to both the US (0.5%) and Japan (0.7%).

OECD reports on **employment related policies** spending separately from the government spending by function described earlier. This spending, referred to as labour market participation expenditure within OECD data, includes spending on the following: public employment services, training, hiring subsidies and direct job creations in the public sector, and unemployment benefits. There is therefore an overlap with our reporting on total spending on welfare and public services as employment related benefits would have been covered by public spending on social protection. OECD only reports on the trend for the UK's government spending on labour market participation to 2011, when UK's spending in that area was the lowest in Europe, standing at 0.53% of GDP. This is compared to 2.76% of GDP in France, 1.76% in Germany and 1.38% across OECD countries in the same year (OECD, 2020e).

Since 2011, public spending on labour market fell across most OECD countries, and by 2018, the OECD average fell to 1.12% of GDP, while figures for Germany and France, for example, fell to 1.39% and 2.66%, respectively (OECD, 2020e). While there is no OECD comparable data for the UK after 2011, we know that spending on employment policies in the UK also fell between 2011 and 2018: from 0.2% of GDP to 0.1% of GDP, respectively (HM Treasury, 2020c chapter 4). Additionally, we know that there were continued cuts to real terms spending on social protection overall and unemployment benefits in particular (HM Treasury, 2020c chapter 5). Cooper and Hills (forthcoming) also show that in 2015, the UK spent much less on employment-related cash benefits compared to other EU countries, including the EU comparator countries such as France and Germany. With no increase in spending on employment policies and benefits to 2018, the UK is likely to have remained among the lowest spending countries on employment-related policies across OECD to date.

Figure 8 General government spending on selected services by function as a share of GDP, 2018, OECD countries



Source: OECD (2019f)

Notes: OECD 2018 average figure is based on authors' calculations using an arithmetic average of values for 2018 or nearest available year for all OECD countries in this table. These figures exclude expenditure on other functions: General Public Service, Defence, Economic Affairs, Environmental protection, Recreation, Culture and Religion.

Including non-government spending, UK total expenditure on health and social security cash benefits remains low in international rankings, but higher on education

While the analysis above focuses on total government spending on the welfare state and public services, some countries rely more on private and co-financing for services such as health, education and social protection. Including non-government expenditure within the total spending on service areas and focusing on current expenditure only, the latest available data shows that for health and social security the story does not change significantly, but for education it does.

- If we account for non-governmental as well as government spending on **health**, at 10.3% of GDP in 2018 the UK's total spending still remains below a number of comparator countries such as France and Germany, despite a relatively higher share of private spending in the UK.
- Looking at non-governmental as well as governmental spending on **education** in 2016 (the latest available data at the time of writing), the UK spent 6.3% of its GDP directly on primary to tertiary education

institutions²⁰, and was the third highest across all OECD countries; higher than all other European countries (authors' calculations using underlying data for Figure C2.2 in OECD (2020b)). The UK's relatively high private component of total spending on education meant that it was high in the international ranking for total (public and private) spending but was low in the ranking for government spending only, where it was behind a number of comparator countries. It is worth noting, that government spending on education in these series includes only direct expenditure on educational institutions and therefore excludes government spending on student loans.

- In relation to ***social protection***, we are able to compare total (government and non-government) expenditure in this area on spending on cash benefits specifically, with the latest figures only available for 2015-2017²¹. The UK occupied a similar relative position in terms of its total (government and non-government) spending on cash benefits (at 10.3% of GDP) as it did in terms of its total government spending on social security – below the OECD average and below EU comparator countries such as France, Belgium, Denmark and Germany (OECD, no date).

Including non-government spending, total expenditure on health and social security cash benefits in the UK remained low in international rankings, below OECD and other EU comparator countries – a similar pattern as for government spending alone on these categories.

Including non-government expenditure on (primary to tertiary) education, however, total spending on education in the UK was ranked much higher compared to government spending alone, and was higher than OECD average and all other European countries.

²⁰ Please note, unlike previously reported totals from OECDE, this expenditure excludes spending on pre-primary education, but it also includes the cost of student loans to the government (within public to private transfers).

²¹ The majority of data reported is for 2016, but for some countries, including the UK, it is for 2015, while others, e.g. Korea – for 2017.

3.3 Overall assessment of outcomes between May 2015 and pre-COVID 2020: SPDO Indicator Set

In this section, we make an overall assessment of how the SPDO sub-groups of interest have fared across the ten SPDO social policy areas during the period 2015 to pre-COVID 2020, and present these alongside longer term trends since 2009/10²² in order to provide the necessary context for more recent trends. The analysis here brings together the findings from the individual policy areas to provide a comprehensive and cross-cutting understanding of the trends and experiences of the SPDO sub-groups, who will have felt the effects of policy changes across multiple policy areas simultaneously.

The analysis here builds on similar exercises undertaken for the SPCC research programme (Lupton, Hills, *et al.*, 2013; Lupton *et al.*, 2015), which included overall assessments of outcomes under Labour (1997-2010) and the Coalition (2015) using the Opportunity for All and Monitoring Poverty and Social Exclusion (MOPSE) indicator set to evaluate the Coalition Government period and the Labour Government period. In the absence of such an indicator set for this period we have developed our own SPDO indicator set, informed by the SPDO social policy analysis and evidence base set out in this overview report, focusing on outcomes and using the selection criteria described below.

In developing the SPDO Indicator Set, our central objective has been to put the spotlight on trends and experiences for the SPDO sub-groups. In order for the indicator set to be useful and accessible, we have limited the outcomes covered to two headline indicators for each SPDO social policy area. In addition, where appropriate, we have included supplementary indicators (or 'spotlight indicators') which highlight important outcomes for particular groups. We recognise that the SPDO Indicator Set is limited in important respects and that it cannot do justice to the complexity of each social policy area or provide a complete description of outcomes for the SPDO sub-groups. The analysis here should be read in conjunction with the fuller analyses set out in this overview report and the underlying working papers.

Indicators summary

The outcome indicators are:

²² For some indicators it is more appropriate to use 2010/11 as the base year for the longer-term trends. Justifications for this are given where this is the case in Appendix 3.

Social policy area	Indicator 1	Indicator 2	'Spotlight indicator'
Physical safety and security	Violent crime (Crime Survey for England and Wales) for England and Wales		Stop and search by ethnicity (Home Office stop and search statistics) For England and Wales
Social security	Relative income poverty AHC (Households Below Average Income data) for United Kingdom	Anchored poverty AHC (Households Below Average Income data) for United Kingdom	Relative child poverty AHC (Households Below Average Income data) for United Kingdom
Health	Life expectancy (Office for National Statistics, National Life Tables) for England	Access to cancer care (National Cancer Patient Experience Survey) for England	Detentions under the mental health act by ethnicity (NHS Digital, Mental Health Act Statistics) for England
Social care	Overall satisfaction of care users with care and support (Personal Social Services Survey of Adult Carers in England) for England	Unmet need for help with Activities of Daily Living among older people (Health Survey for England) for England	Proportion of unpaid carers providing 35+ hours of care per week (Family Resources Survey) for United Kingdom
Compulsory education	5 GCSEs at grade 9-4/A*-C (Level 2) by age 19 (Department for Education, national statistics) for England	2 or more 'A' levels and equivalent (Level 3) by age 19 (Department for Education, national statistics) for England	Permanent exclusions (Department for Education, national statistics) for England

Higher education	Higher education participation (Department for Education national statistics) for England	High skill employment (Department for Education Graduate Labour Market Statistics) for England	
Employment	Employment rate (Labour Force Survey) for United Kingdom	In-work poverty (Joseph Rowntree Foundation analysis of Households Below Average Incomes) for United Kingdom	Pay gaps (Annual Survey of Hours and Earnings; Annual Population Survey) for United Kingdom
Homelessness	Homeless households in priority need accepted by local authorities , (Bramley, 2020) for England (with country breakdowns)	Homeless Households placed in Temporary Accommodation (Bramley, 2020) for England (with country breakdowns)	Core homelessness number (Bramley, 2017; G. Bramley, 2018) for England (with country breakdowns)
Early childhood	Low birthweight (Office for National Statistics birth statistics) for England and Wales	Early Years Foundation Stage profile (Department for Education, Early Years Foundation Stage Profile results) for England	Relative child poverty AHC youngest child 0 -4 years (Households Below Average Income data data) for United Kingdom

Tables of cross-sectional differences across groups for each indicator can be found in the [online spreadsheet](#) 'outcomes by group'. The second [online spreadsheet](#) 'change over time' displays the change in each indicator for each policy area and focus group since 2010 and since 2015²³ to the most recent data. In order to aid interpretation we use a **traffic light system** to code trends as improving, no change, a slowing of the rate of improvement, or worsening. For more information on the methodology for measuring change over time, including base years see Appendix 3.

Full details of the measures each indicator is based on including definitions of outcome measures, groups and data sources can also be found in Appendix 3.

SPDO sub-groups

As noted above, the selection of SPDO sub-groups includes several of the characteristics which are protected under the Equality Act 2010 together with geographical area and socioeconomic deprivation:

- Sex²⁴
- Age
- Ethnicity
- Disability
- Geographical area
- Socio-economic deprivation

Not all indicators are currently available for all groups; this highlights important gaps in the data available and suggests new areas for research in order to build a better evidence base for social policymaking.

Selection Criteria for indicators

The criteria for selecting indicators has been informed by the approach outlined in the Equality Measurement Framework (Alkire *et al.*, 2009).

- Indicators must be relevant for assessing inequalities, in line with the central research question for the SPDO project: 'what progress has been made in addressing inequalities through social policies?'
- Indicators should be chosen that can be disaggregated by the following characteristics: gender, age, disability, ethnicity, geographical area, socioeconomic deprivation
- Indicators that highlight outcomes for a particular disadvantaged group (e.g. unpaid carers) should also be included where appropriate and where main indicators do not include such groups.

²³ 2010 and 2015 are taken as the default base years, though there are some deviations from this due to data availability and other reasons discussed in Appendix 3.

²⁴ We are restricted by the data available to binary male/female gender categories.

- The indicators selected should represent key trends in each policy area. This may include both positive and negative trends where relevant.
- Comparability – the indicators selected should be measured comparably over time. Where possible and useful indicators that can be used for international comparisons should be included so these trends can be placed in an international context where appropriate.
- Accuracy, reliability and validity – the indicators selected should be accurate, reliable and valid. Sufficient sample size when disaggregating groups is an important factor to promote accuracy.
- Indicators should be accessible and straight-forward to interpret. This includes avoiding ambiguous measures where trends could not be clearly interpreted as positive or negative.

Overall trends

For a more nuanced understanding of important trends in each policy area we recommend readers consult the individual summaries in this report (sections 4-13), as well as the full research papers. Here we summarise overall trends for indicators across all policy areas, highlighting where there have been improvements in outcomes overall, as well as where progress has stalled or outcomes have worsened.

i. Improvements since 2015

There have been some improvements in outcomes in the period from 2015- to pre-COVID19. The most dramatic of these relates to employment with the employment rate increasing from 72.4% in 2014 to 76.6% in 2019²⁵. In early childhood there were increases in the number of children achieving a 'Good' level of development as measured by the Early Years Foundation Stage Profile (EYFSP). In health there have been improvements in access to cancer care, and in social care a measured reduction in unmet need among over 65s although the rate remains very high. The proportion of 21-30 year old graduates in high skilled employment also increased between 2015 and 2019 (from 55.8% to 58.5%) – this was following a slight decline between 2009 (57.8%) and 2015, therefore reversing a negative trend.

ii. Slowdown in improvements since 2015

In relation to health, life expectancy for men and women continued to improve from 2015 but at a slower rate compared to the previous period from 2010-12 to 2013-15. Participation rates in higher education continue to improve, though at a slower pace since 2014/15 compared to increases in participation from 2009/10.

²⁵ Based on comparisons between the December-February quarter for each year.

iii. No change since 2015

For a number of outcomes improvements completely stalled as there was no change since 2015 in areas which had previously been improving. This is the case for anchored poverty²⁶ after housing costs (AHC), which after declining from 21% to 20% of the UK population between 2010/11 and 2014/15 remains stubbornly at 20% in 2018/19. Violent crime which had declined slightly between 2009/10 and 2014/15 from 3% to 2% of the population in England and Wales experiencing violence, also remains unchanged since 2014/15. After improvements in the proportion of service users who were satisfied with the care and support they received, there was no change in satisfaction, remaining at 64% since 2014/15. Finally, the percentage of babies born with a low birthweight also saw no change since 2015 (following a period of no change since 2009/10).

iv. Worsening outcomes since 2015

The majority of indicators across policy areas show a worsening of outcomes overall. Figure 9 puts these deteriorations of outcomes in the context of changes in the previous period.

A number of these capture different types of income poverty. Relative poverty AHC increased from 21% to 22% of the UK population between 2014/15 and 2018/19. Relative child poverty AHC also increased; looking at breakdowns by the age of the youngest child in the household (up to age 11-15), the increases have been largest for families where the youngest child is aged 0-4 years. Along with the increases in these measures of income poverty there was an increase in in-work poverty (measured as relative poverty AHC for workers), which highlights an important qualification to the positive story of the increase in the employment rate described above.

There has also been a worsening for some outcomes related to compulsory education. After increases between 2010 and 2015 in the number of students achieving Level 2 (5 GCSEs at grade 9-4/A*-C) and Level 3 (2 A levels or equivalent) by age 19, these outcomes have since declined from 88% to 83% achieving Level 2 by 19 and from 61% to 60% achieving Level 3 by age 19 in 2015 and 2019 respectively. These changes arise from the 2014 reforms which reduced the number of vocational equivalents to GCSEs and the decoupling of AS Levels from A Levels from 2015/16. It is argued that these changes should increase standards (by increasing the focus on academic subjects) although levels of achievement have declined (for a fuller discussion of this see Lupton and Obolenskaya (2020)). In addition to deterioration in educational achievement the rate of permanent exclusions for state funded secondary schools also increased between 2014/15 and 2018/19, following a period of no change.

²⁶ 'Anchored poverty' is measured as below 60% of median income in 2010/11.

There was an overall increase in homelessness between 2014 and 2017/18 in England which was apparent in all three homelessness indicators. This increase followed a period of even larger increases between 2010 and 2014.

In social care there has been an increase in the proportion of adult informal carers providing 35 hours a week or more of care since 2015.

Figure 9 Overall trends in outcomes

Improvement after 2015, following no consistent data pre-2015²⁷	<ul style="list-style-type: none"> • Early childhood: Foundation Stage Profile good development • Health: cancer care access
Continued improvement after 2015	<ul style="list-style-type: none"> • Employment: employment rate • Social care: unmet need for over 65s
Improvement after 2015, reversing deterioration	<ul style="list-style-type: none"> • Higher education: proportion of 21-30 year old graduates in high skilled employment
No change after deterioration before 2015	
No change (continued from 2010)	<ul style="list-style-type: none"> • Early childhood: low birthweight
Slow-down in improvement after 2015	<ul style="list-style-type: none"> • Health: life expectancy at birth for males and females • Higher education: progression to higher education by age 19
Stall in improvement after 2015 (no change since 2015 following previous improvement)	<ul style="list-style-type: none"> • Social security: Anchored poverty after housing costs • Physical safety and security: violent crime • Social care: service users satisfaction with help and support
Deterioration from 2015 (after no change from 2010)	<ul style="list-style-type: none"> • Compulsory education: permanent exclusions • Social security: relative poverty after housing costs

²⁷ For all the outcomes in this category there is no data to compare with the change over the previous period.

Continued deterioration after 2015	<ul style="list-style-type: none"> • Child poverty: relative child poverty after housing costs • Early childhood: relative child poverty AHC in families where youngest child is aged 0-4 years • Homelessness: Homeless households in priority need accepted by local authorities; Homeless Households placed in Temporary Accommodation; Core homelessness • Employment: in-work poverty • Proportion of adult informal carers providing 35 hours a week of care or more
Deterioration, reversing improvement before 2015	<ul style="list-style-type: none"> • Compulsory education: achieving Level 2 by age 19 • Compulsory education: achieving Level 3 by age 19

How have different groups fared across the ten policy areas?

The central research question of the SPDO project is 'What progress has been made in addressing social inequalities through social policies?' Here we summarise how different groups have fared looking across the ten policy areas. In particular we highlight whether gaps since 2015 have narrowed, widened or stayed the same. It is particularly important to contextualise the direction of change, (whether outcomes have improved, stayed the same or worsened for particular groups), by keeping in mind the cross-sectional differences between groups across indicators at the end of the period and the extent of the inequalities that remain (see [online spreadsheets](#) for full results).

Trends for men and women

Women continue to be relatively disadvantaged compared to men in terms of relative poverty AHC and risk of experiencing violence. In social care for the over 65s, women are more likely than men to have unmet need and as service users women have lower rates of satisfaction with the support they receive and their satisfaction declined since 2015, whilst men's continued to increase. Women have lower employment rates than men, though progress in reducing the gender pay gap has continued. In some areas it is men who are relatively disadvantaged compared to women. In relation to educational outcomes male students under-achieve and have higher rates of exclusion compared to female students. Male children also have lower rates of achieving good development as measured by EYFSP and in health men are more likely to have to see their GP three or more times before being referred to hospital

for cancer treatment. Men also have lower rates of participation in higher education, though male graduates are still more likely than female graduates to be in high-skilled employment.

- Women remain relatively disadvantaged compared to men when it comes to relative poverty AHC as women were more likely to be in relative poverty at all time points. There was a levelling off in anchored poverty AHC as women had higher rates at the start and middle of the period but rates for both men and women reduced to 18% by 2018/19.
- Women continue to have higher rates of homelessness²⁸ than men though this is based on the number of homeless households in priority need accepted by local authorities and therefore does not provide a full picture²⁹ (as discussed in Appendix 3). There was little difference in changes in homelessness for this measure comparing change for men and women between 2014 and 2017.
- In relation to physical safety and security, whilst levels of violence³⁰ experienced by men have decreased since 2015 (and since 2010) no progress has been made in decreasing levels of violence experienced by women (since 2015 or 2010). Related findings from the SPDO project, which includes analysis of more reliable estimates of sexual and domestic violence from the self-completion module in the Crime Survey for England and Wales³¹ finds that sexual violence experienced by women significantly increased since 2004/5 (Cooper and Obolenskaya, forthcoming). This analysis showed that when the more reliable measure of sexual violence is included in estimates of violent crime women are significantly more likely to experience violence than men in 2017/18 (Ibid).
- In social care for the over 65s men are less likely than women to have unmet need (19% of men have unmet need compared to 28% of women in 2018). As service users men have higher rates of satisfaction with the care and support they receive and this continued to increase since 2015, whilst declining for women and increasing the gap. In 2018/19 66% of men were satisfied with the care they received compared to 63% of women.

²⁸ See discussion in Appendix 3 on caveats for the data on demographic breakdowns of homelessness.

²⁹ 'Priority need' focuses on households with children or those who are vulnerable because of special circumstances (age, serious disability, mental ill-health), and this was the main focus of the system in England until 2017.

³⁰ Violence is measured based on the following offences, as in the ONS measure of violent crime: Serious wounding; Other wounding; Common assault; Attempted assault; Serious wounding with sexual motive; Other wounding with sexual motive. In addition to this ONS definition the measure also includes: Rape; Attempted rape; Indecent assault.

³¹ Rather than the CSEW face-to-face survey used for the indicator discussed above.

- Men still have higher employment rates than women, with an employment rate in 2019 of 81% compared to 77%. The gender pay gap persists, though progress continues in reducing its size, with a decrease from 19% in 2014 to 17% in 2019.
- However, in education male students are relatively disadvantaged compared with female students: the rate of achieving Level 2 and Level 3 by age 19 was higher for females in 2010, 2015 and in 2019. Further the rate of achieving Level 2 worsened more for males than females since 2015 and Level 3 worsened for males only since 2015, widening the gap further. The gap in permanent exclusions also widened as the female exclusion rate remained unchanged and lower than for male students, while the exclusion rate for male students increased since 2014/15.
- In higher education, women continue to have higher participation rates than men, and the gap has continued to widen since 2015 as women's participation rates have increased more steeply. However, this does not translate to differences in high skilled employment, where the proportion of 21-30 year old male graduates in high-skilled employment is greater than the proportion of female graduates.
- In early childhood male children are still less likely to achieve 'good' development as measured by the Early Years Foundation Stage Profile (EYFSP) with 66% of male children achieving good levels of development in 2018/19 compared to 78% of female children.
- In health, while access to cancer care has improved for both men and women since 2015, in 2019 men are still more likely to have to see their GP three or more times before being referred to hospital for cancer treatment. Men also have lower life expectancy at birth compared to women, though the gap has narrowed since 2015; whilst improvements in life expectancy stalled for both men and women, the improvements in life expectancy were greater for men since 2015.

Figure 10 Inequalities that have narrowed, persisted or widened since 2015³²

	Inequalities narrowed	Inequalities persisted unchanged	Inequalities widened
Sex	<p>Inequalities where women are relatively disadvantaged:</p> <ul style="list-style-type: none"> • Anchored poverty AHC • Employment rate • Gender pay gap <p>Inequalities where men are relatively disadvantaged:</p> <ul style="list-style-type: none"> • Violence • Achieving good EYFSP development in early childhood • Life expectancy at birth 	<p>Inequalities where women are relatively disadvantaged:</p> <ul style="list-style-type: none"> • Relative poverty AHC • High-skilled employment for graduates • Homelessness households in priority need accepted by local authorities (no change in gap due to decline for women and increase for men) <p>Inequalities where men are relatively disadvantaged:</p> <ul style="list-style-type: none"> • Access to cancer care 	<p>Inequalities where women are relatively disadvantaged:</p> <ul style="list-style-type: none"> • Social care unmet need for over 65s • Satisfaction with social care <p>Inequalities where men are relatively disadvantaged:</p> <ul style="list-style-type: none"> • Level 2 achievement by 19 • Level 3 achievement by age 19 • Permanent exclusions • Participation in higher education
Disability- comparing inequalities experienced by individuals with a disability or special educational needs (SEN) compared to individuals without a disability or SEN	<ul style="list-style-type: none"> • Relative poverty AHC for families where someone is disabled (due to increase in poverty for families where no one is disabled) • Anchored poverty AHC for families where someone is disabled • Child poverty AHC for children in families where someone is disabled (partly due to increase in poverty for children in families where no one is disabled) • Achieving Level 3 by 19 for students with SEN (due to 	<ul style="list-style-type: none"> • Violence experienced by individuals with a disability • Permanent exclusions for students with SEN and with a statement • Disability pay gap for employees with a disability 	<ul style="list-style-type: none"> • Achieving Level 2 by age 19 for students with SEN • Permanent exclusion rate for students with SEN but without a statement • In-work poverty for individuals where someone in their family is disabled • Good level of EYFSP development for all students with SEN • Proportion of 21-30 year old graduates in high skilled employment for graduates with a disability

³² See [online spreadsheets](#) for more detail on the inequalities included in this table, as well as some more complex patterns that it was not possible to include.

	Inequalities narrowed	Inequalities persisted unchanged	Inequalities widened
	<p>decrease in achieving Level 3 for students without SEN)</p> <ul style="list-style-type: none"> • Employment rate for individuals with a disability • Progression to higher education by age 19 for students with SEN 		
Ethnicity – inequalities for different ethnic groups. Note the reference group is the most advantaged ethnic group for each outcome. This is usually but not always the White ethnic group	<ul style="list-style-type: none"> • Violence for Black and Mixed ethnic groups compared to White group • Access to cancer care for all ethnic groups compared to the White group • Satisfaction with social care for service users from a Mixed ethnic background compared to White service users • Level 2 achievement gaps narrowed for Travellers of Irish Heritage compared to Chinese students (who have the highest rates of achievement) • Level 3 achievement gaps narrowed for Travellers of Irish Heritage as well as Bangladeshi students and students from 'Any other Asian background' compared to Chinese students (who 	<ul style="list-style-type: none"> • Relative child poverty AHC for children in a family with a Black head of household compared to children in a family with a White head of household • Satisfaction with social care for Black and Asian service users compared to White service users 	<ul style="list-style-type: none"> • Relative poverty AHC for those from Black, Pakistani, Bangladeshi and Other Asian background compared to White ethnic group • Anchored poverty for Black, Bangladeshi and Any other Asian background compared to White ethnic group • Child poverty for children in Bangladeshi, Pakistani, Indian, and 'any other Asian background' households³³, compared to children from White households • Stop and search for all ethnic groups compared to White group • Level 2 achievement gaps increased for students from most ethnic groups compared to Chinese students (who have the highest rates of achievement)

³³ Ethnicity for child poverty is measured by the ethnicity of the head of the household in which the child lives.

Inequalities narrowed	Inequalities persisted unchanged	Inequalities widened
<p>have the highest rates of achievement)</p> <ul style="list-style-type: none"> • Early years good development (EYFSP) for Bangladeshi, Pakistani and Chinese groups compared to Indian group (highest achieving) • Employment gap of Chinese ethnic group compared to White ethnic group • Ethnic pay gap for employees from all ethnic groups where pay is lower compared to White employees • In-work poverty for Bangladeshi and Chinese households compared to White households. • Higher education participation for students from all ethnic groups compared to the Chinese ethnic group which has the highest participation rates. • Proportion of Asian graduates in high skilled employment compared to White graduates. • Homeless households in priority need accepted by local authorities for the Black ethnic group compared to White ethnic group. 		<ul style="list-style-type: none"> • Level 3 achievement gaps increased for students from most ethnic groups compared to Chinese students (who have the highest rates of achievement) • Early years good development (EYFSP) for Black, Mixed and White ethnic groups compared to Indian (highest achieving) • Employment gaps for Bangladeshi, Pakistani, Mixed ethnicity and Black individuals compared to White individuals • In-work poverty rates for Black, Mixed, Indian and Pakistani households compared to White households • Proportion of Black graduates in high skilled employment compared to White graduates. • Homeless households in priority need accepted by local authorities for the Mixed and South Asian ethnic group compared to White ethnic group.

	Inequalities narrowed	Inequalities persisted unchanged	Inequalities widened
Age/ life stage	<ul style="list-style-type: none"> • Relative poverty AHC between single parents and pensioner couples (least disadvantaged) • Anchored poverty rates AHC between single parents and pensioner couples (least disadvantaged) • Violence between those aged 16-24 years (who experience highest level of violence) and older age groups • Relative child poverty (AHC) for children living with single parents (relatively disadvantaged) compared to children couple parents (due to increase in poverty for children living with couple parents) • Gaps in life expectancy between men (relatively disadvantaged) and women at 85 years (as women's life expectancy stalled more) • Homeless households in priority need accepted by local authorities for single females without children compared with pensioners (least disadvantaged by this measure) 		<ul style="list-style-type: none"> • In-work poverty rates for single parents with children compared to couples without children (who have lowest rates) • Satisfaction with social care for service users for most age groups but particularly for the oldest age groups 75 years+ compared to 25-34 year olds (who have highest rates of satisfaction) • Homeless households in priority need accepted by local authorities for single parents, single males without children and couples with children compared with pensioners (least disadvantaged by this measure)

	Inequalities narrowed	Inequalities persisted unchanged	Inequalities widened
Country/region/local authority³⁴	<ul style="list-style-type: none"> Regional inequalities in good development in early childhood (EYFSP) narrowed between most regions and the South East (with highest rates of good development) as this outcome improved across all regions 	<ul style="list-style-type: none"> Relative poverty AHC - remained the same between London (highest rates) and the South East (lowest rates) Anchored poverty AHC – remained the same between London (highest rates) and the South East (lowest rates) Inequalities in low birthweight remained stable for most regions compared to the South West (which has the lowest rates of low birthweight) 	<ul style="list-style-type: none"> Relative child poverty AHC between children living in the South East (lowest rates) and children living in other areas with the highest poverty rates The gap in life expectancy between the areas with highest and lowest life expectancy increased for both males and females Employment rate between North East (lowest employment rate) and the South East (highest employment rate) Achievement gaps in Level 2 by age 19 increased for all regions compared to London (highest achieving region) Achievement gaps in Level 3 by age 19 increased for all regions compared to London (highest achieving region) Progression to higher education between most regions and London (which has the highest participation rates)

³⁴ There are fewer comparisons of inequalities over time by geographical area as the patterns are often more complicated and without a consistent most advantaged region to compare to – therefore not all the regional inequalities can be summarised in a simple table. See discussion below and [online spreadsheets](#) for more detail on regional/area-based inequalities.

	Inequalities narrowed	Inequalities persisted unchanged	Inequalities widened
Deprivation	<ul style="list-style-type: none"> • Inequalities in access to cancer care narrowed between the most deprived and least deprived IMD quintiles • Participation in higher education between more and less advantaged POLAR quintiles • Good development in early childhood for more deprived IDACI deciles compared to least deprived IDACI decile (which has highest rates of good development)³⁵ 	<ul style="list-style-type: none"> • Achievement of Level 3 between the most and least deprived 25% as measured by IDACI • Homeless households in priority need accepted by local authorities for the second IMD quintile compared to the least deprived quintile • Homeless households placed in temporary accommodation for the second IMD quintile compared to the least deprived quintile 	<ul style="list-style-type: none"> • Violent crime between most deprived (with higher rates of violence) and least deprived IMD deciles • Life expectancy between the most deprived (with lower life expectancy) and least deprived IMD deciles • Achievement of Level 2 between most deprived (with lower achievement levels) and least deprived as measured by IDACI • The gap in social care unmet need among over 65s increased between the most deprived (highest levels of unmet need) and least deprived IMD quintiles • Homeless households in priority need accepted by local authorities for the middle and two most deprived IMD quintiles (higher rates of priority need acceptances) compared to the least deprived IMD quintile. • Homeless households placed in temporary accommodation for the middle and two most

³⁵ Note when eligibility for free school meals (FSM) is used as the deprivation measure instead, the gap in good development between more and less advantaged children actually widens, as discussed in Stewart and Reader (forthcoming).

Inequalities narrowed	Inequalities persisted unchanged	Inequalities widened
		<p data-bbox="1626 264 2033 424">deprived IMD quintiles (with higher rates of temporary accommodation) compared to the least deprived IMD quintile.</p> <ul style="list-style-type: none"> <li data-bbox="1585 427 2033 684">• Low birthweight for babies from a manual/routine occupational family background (higher rates of low birthweight) compared to babies born to families from a professional/managerial background.

Comparing those with and without a disability

There has been little progress in addressing disability related inequalities over the period. Disability gaps persist in relation to higher risk of poverty, higher risk of experiencing violence, and in education students with special educational needs (SEN) have a lower chance of achieving Level 2 or Level 3, accompanied by a higher risk of permanent exclusion and lower rates of participation in higher education. In early childhood children with SEN are less likely to achieve a good level of development and this gap has widened. The disability employment gap has narrowed but workers with a disability experience higher rates of in-work poverty and this inequality has widened since 2015, whilst there has been no progress in reducing the disability pay gap since 2015.

- Individuals in families where someone is disabled were more likely to be in relative poverty AHC at all time points and the percentage increased between 2010-11 and 2014-15 and remained at the same level in 2018-19. Anchored poverty AHC decreased for both families with and without a disabled person, however, those with a disabled family member still had higher rates of anchored poverty AHC at all three time points also.
- Relative child poverty AHC decreased for children living with a disabled family member between 2014-15 and 2018-19. However, children with a disabled family member continued to be at higher risk of child poverty at all three time points.
- There was no change in risk of experiencing violence for both individuals with and without a disability between 2014-15 and 2018-19. However, this follows an increase in violent crime for individuals with a disability and a decrease for individuals without a disability in the preceding period from 2009-10. Individuals with a disability were more likely to experience violence in 2018-19 compared with individuals without a disability.
- In early childhood children with SEN are less likely to achieve a 'good' level of development as measured by the EYFSP, and this inequality has worsened since 2015.
- Students with SEN were less likely to achieve Level 2 and Level 3 by age 19 at the beginning and end of the period, compared with their peers without SEN. Both groups experienced a decrease in achieving Level 2 between 2015 and 2019, though the SEN gap is larger by the end of the period. The gap for achieving Level 3 is even greater with only 26% of students with SEN achieving Level 3 by age 19 in 2019 compared to 62% of students without SEN.
- Exclusion rates are also higher for students with SEN throughout the period, with no progress in closing the gap.

- Pupils with SEN have lower rates of participation in higher education by age 19 – in 2018/19 18% of those with SEN progressed to higher education by age 19, compared to 47% of pupils without SEN, though the gap narrowed very slightly. Graduates with disabilities are less likely to be in high skilled employment at ages 21- 30 years and this inequality has increased since 2015.
- In employment progress has been made in reducing the disability employment gap, though at the same time there has been no progress in reducing the disability pay gap since 2015 and workers with at least one disabled person in their family are more likely to experience in-work poverty, with this inequality widening since 2015.

Trends and gaps for different ethnic groups

Whilst some ethnic inequalities began to narrow - including inequalities in access to cancer care, and inequalities in risk of violence- most ethnic inequalities worsened since 2015. Ethnic inequalities in stop and search worsened for all minority ethnic groups but particularly for the Black ethnic group. Patients from a Black background continue to have the worst access to cancer care and are four times more likely to be detained under the Mental Health Act compared to White patients in 2018/19. In adult social care, Black and Asian service users continued to have the lowest rates of satisfaction with their experience of support and care. In employment, improvements in the overall employment rate were not shared equally across all ethnic groups, with those from a Bangladeshi and Pakistani background in particular having the lowest employment rates as well as the highest ethnic pay gaps. Bangladeshi and Pakistani households also have the highest rates of in-work poverty, followed by Black households. Ethnic inequalities in poverty also worsened across all measures (relative, anchored and child poverty AHC). In educational outcomes ethnic inequalities increased for most ethnic groups. In higher education White pupils had the lowest participation rates but as graduates were more likely to be in high-skilled employment than Black or Asian graduates.

- Ethnic³⁶ inequalities in relative poverty AHC widened since 2015³⁷. Gaps in poverty rates compared to those from a White background increased for those from a Black, Pakistani, Bangladeshi and 'other Asian background'.

³⁶ Ethnicity is measured based on the ethnicity of the head of the household. For child poverty the ethnicity therefore also refers to the head of the household rather than the ethnicity of the child.

³⁷ Due to smaller sample sizes the poverty data (relative, anchored and relative child poverty) for ethnic groups are pooled across three year periods. For ease of readability when summarising poverty trends (as opposed to other outcomes) we refer to one year only, as follows: 2010 refers to years 10/11-12/13; 2015 refers to years 13/14-15/16 and 2019 refers to 16/17-18/19.

Inequalities in anchored poverty AHC and relative child poverty AHC also widened for a number of ethnic groups compared to the White group.

- Ethnic inequalities in stop and search have increased since 2014-15 for all ethnic groups. Those from a Black background are particularly disadvantaged as having experienced the largest increase in stop and search since 2014-15 and already starting from much higher rates in the previous period. In 2019/20 the rate of stop and searches per 1,000 of the population was 54 for Black people compared to just 6 for White people. Rates of stop and search for people from a Mixed or Asian ethnic background were 16 and 15 per 1,000 of the population respectively.
- Inequalities in risk of violence have narrowed for all ethnic groups, though those from a Mixed ethnic background still experience greater risk of violence compared to those from a White background.
- For health, inequalities in access to cancer care narrowed as the proportion of people who saw their GP three or more times before being referred to hospital reduced for all ethnic groups at a steeper rate than for those from a White background. However, patients from a White background continue to have the easiest access to cancer care by this measure in 2018/19 with patients from a Black background continuing to have the worst access to cancer care.
- In relation to mental health people from a Black background were over four times as likely to be detained under the Mental Health Act compared to people from a White background in 2018/19.
- In adult social care, Black and Asian service users continued to have the lowest rates of satisfaction with their experience of support and care, though there was a narrowing of the gap in satisfaction between White service users and service users from a Mixed ethnic background.
- In education those from a Gypsy Roma background and Travellers of Irish heritage stand out as having the largest achievement gap for both Level 2 and Level 3 compared with Chinese students (who have the highest rates of achievement compared to all other ethnic groups). For almost all ethnic groups (compared to Chinese students) inequalities in achieving Level 2 and Level 3 increased since 2015.
- Permanent exclusion rates for Gypsy Romas remained stable between 2015 and 2019, leaving this group with the highest exclusion rate in 2019 compared to all other groups. Exclusions increased for those from a White British, White and Black Caribbean, White and Black African and 'any other Black background' since 2015 and decreased for Travellers of Irish Heritage (though still amongst the highest exclusion rates).

- In higher education, White pupils have the lowest participation rates (by age 19) with 38% of White pupils progressing to higher education in 2018/19 compared to 79% of Chinese students, 64% of Asian students and 59% of Black students, though these gaps in rates of participation have narrowed for all groups since 2015. These patterns in higher education participation have not carried over into the labour market where White graduates have the highest rates of being in high skilled employment and Black graduates have the lowest rates, with this employment gap increasing since 2015. This mismatch between higher education participation rates and high-skilled employment is likely driven in part by experiences at university – including unequal chances of admission to high-ranking universities for students from minority ethnic backgrounds, as well as less positive experiences of learning at university (explicit and implicit racism, the need to decolonise the curriculum and lower chances of achieving a good degree level) (Arday and Mirza, 2018). Beyond differences in higher education experiences, discrimination in the labour market is an important mechanism which accounts for some of the differences in employment outcomes (Heath and Di Stasio, 2019; Zwysen and Longhi, 2018).
- In early childhood, whilst there were improvements in the number of children achieving good development (as measured by EYFSP), children from a Bangladeshi, Pakistani or Black background were still least likely to achieve good development, whilst children from an Indian, Chinese or White background had the highest rates of achieving good development. The gap widened for children from a Black, Mixed or White background compared to those from an Indian background, the highest achieving group.
- Though employment rates overall improved since 2015 this was not shared equally amongst all ethnic groups, with employment gaps widening for nearly all ethnic groups. The biggest employment gaps are for those from a Bangladeshi or Pakistani background compared to those from a White background. In 2019 the employment rate for Bangladeshis and Pakistanis was 55.5 and 57 respectively, compared to an employment rate of 78 for those from a White background.
- Ethnic pay gaps reduced since 2015 for all ethnic groups who have lower average pay compared to White workers. In 2019 Bangladeshis and Pakistanis had the highest pay gaps compared to White workers.
- In-work poverty rates are higher for workers from all ethnic backgrounds³⁸ compared to workers from White households and since 2015 in-work poverty has increased for workers from Bangladeshi, Pakistani, Black or

³⁸ Ethnicity is measured at the household level based on the ethnicity of the head of the household.

Mixed households. In 2018/19 the relative poverty rate (AHC) for workers from White households remained at 11% whilst 34% of workers from Pakistani and Bangladeshi households, and 28% of workers from a Black household were in relative poverty (AHC).

- Homelessness, as measured by priority need acceptances (see Appendix 3 for notes on this measure), increased for most ethnic groups between 2014 and 2017. There was a slight decrease for the Black ethnic group, though this group continued to have by far the highest rates of homelessness based on this measure and the largest increase in the previous period from 2010 (though this did lead to a slight narrowing of the difference compared to the White ethnic group). In 2017 the rate of homeless households in priority need per 1,000 household was 12.1 for the Black ethnic group compared to 1.7 for the White ethnic group which had the lowest rates. Those from a Mixed ethnic background and South Asian ethnicity had rates of 8 and 4.7 respectively.
- There are data gaps with no ethnicity breakdowns for life expectancy, in social care for unmet need for over 65's and in early years no ethnic breakdowns for low birthweight.

Experiences by age and household type

For some of the outcomes considered here age group is both available in the data and appropriate to use as a category to analyse. Where this data is not available or is less appropriate (for example, where the outcome is already limited to children), we instead consider differences across family types which loosely overlap with different life stages. For example, we compare the experiences of pensioner households with working age households, with and without children. This allows us to also include an important group for many policy outcomes – single parents. Here we first summarise how experiences differ across different types of households at different points across the life course. We then discuss differences in experiences by more specific age groups.

Focusing on life stage poverty rates (both relative and anchored AHC) remained worse for families with children, particularly single people with children, with lower levels of poverty for pensioners. Single parent families also stand out as having higher rates of relative child poverty (AHC) and higher rates of in-work poverty.

- Relative poverty AHC has worsened since 2015 for most household types, including for households of pensioner and working age. However, it is families with children in particular who are at greatest risk of poverty with relative poverty rates for single people with children over three times as high in 2018-19 than a pensioner couple or couple without children (43% and 13% respectively). Nevertheless, there was some improvement since

2015 in relative poverty AHC with a reduction of 1 percentage point for single parents³⁹ and single females without children.

- Similar patterns are observed for anchored poverty AHC with highest rates for those with children and lowest rates for pensioner couples and couples without children, though inequalities narrowed slightly as there were improvements for those of working age (single with children, single females without children and couples without children). For most other household types there was no change in anchored poverty though it worsened for single male pensioners and for single males of working age without children.
- Child poverty (relative AHC) has worsened for children living in households with two parents, though rates remain much higher (and unchanged since 2015) for children living with a single parent: in 2018/19 the child poverty rate was 44% for children living with single parents compared to 26% for children living with couple parents.
- In-work poverty is highest for single parents and increased since 2015: in 2018/19 the relative poverty rate (AHC) for single parent workers was 29%, compared to 16% for couple parents in work and 8% for couples without children.
- Homelessness, as measured by homeless households in priority need accepted by local authorities (see Appendix 3 for notes on this measure), increased since 2014 for all household types apart from couples without children and single females without children. Rates remained highest and increased the most for single people with children with rates of 25.5 per 1,000 household in 2017 compared to 2.8 for couples with children. Differences in rates of homelessness for single parents had widened since 2014 compared to pensioners who had the lowest rates of homelessness by this measure.

In terms of age more specifically we see that those in the youngest adult age group are still at highest risk of violent crime in 2018-19 though they have experienced a decrease in violent crime since 2014-15. Employment rates are also lowest for those aged 18 – 24 years. In health, there has been a stall in female life expectancy at ages 85 and 90, though in terms of cancer care the oldest group aged 85+ appears to have better access. In social care adults aged over 80 years have higher rates of unmet need, service users aged 75 years and older have the lowest rates of satisfaction with the support and care they receive.

- Focusing on age, risk of experiencing violent crime remains highest for the youngest age group aged 16-24 years in 2018-19, with the risk decreasing

³⁹ It is not possible to further disaggregate single parenthood by gender in the data.

as age increases. However there was some progress in addressing this age inequality as the youngest age group saw a decrease in their risk of experiencing violent crime since 2014-15. By contrast for most other age groups there was no change in violent crime since 2014-15 apart from for those aged 55 – 64 years who experienced a 0.7 percentage point increase in violent crime.

- In health, improvements in life expectancy have stalled particularly for older women aged 85 and 90. However cancer care access is better for older age groups, with only 11% of those aged 85+ having to visit their GP three or more times before being referred to hospital, compared to 19% of those aged 35-44 years, in 2019.
- In adult social care those aged 80 years and over have higher rates of unmet need, with over double the rate of unmet need compared to those aged 65-69 years in 2018. Service users aged 75 years and older also have the lowest rates of satisfaction with their experience of care and support, and this inequality has widened as satisfaction has declined more steeply amongst this older age group.
- Amongst those of working age⁴⁰ employment rates continue to be lowest for those aged 18 – 24 years.

Trends in outcomes by geographical area

England overtook Wales to have the highest relative child poverty rate AHC in 2018-19. Within England, London stands out across all poverty measures as having the highest rates of poverty. Violent crime was highest in Wales and across English regions was highest in the East Midlands in 2018-19. For regional differences in education (England only) London has the highest completion rates for Level 2 and 3 by age 19, and was the only region to see an increase in completion of Level 3 since 2015. The North East, Yorkshire and Humber and the East Midlands have the lowest levels of achievement across both measures in 2019 and the North East also has the highest permanent exclusions rate throughout the period. Participation in higher education is highest amongst those who went to school in London at 15, and lowest amongst those in the East Midlands and Yorkshire and Humber and these participation gaps have widened since 2015. Graduates in London are also more likely to be in high-skilled employment. In health, the gap in life expectancy between the areas with highest and lowest life expectancy increased for both males and females. The South East stands out as having the lowest rates of low birthweight and highest rates of children achieving good development in the early years (joint with London). The employment rate is also highest in the South East and

⁴⁰ Excluding those of pension age and those still in compulsory education.

lowest in the North East. In adult social care, service users' satisfaction with support and care remains lowest in London.

- Relative poverty AHC is highest in Wales and England, with lower levels in Scotland and Northern Ireland and there has been little change in this since 2014-15, apart from in Northern Ireland where there has been a reduction in relative poverty AHC. The pattern is similar for anchored poverty AHC though with reductions in all countries since 2014-15 but still the biggest decrease in poverty in Northern Ireland. For relative child poverty (AHC) England overtakes Wales and has the highest rates by 2018-19 following an increase in relative child poverty in England since 2014-15 (and a reduction in Wales).
- In terms of regions London stands out as having the highest rates of relative poverty AHC at the beginning and end of the period, with an increase in relative poverty since 2014-15. London has the highest rates of anchored poverty AHC as well, though with no change since 2014/15 (in contrast to most other regions which saw a decline in anchored poverty AHC). Child poverty is also highest in London at the start and end of the period and increased since 2014-15.
- A greater proportion of people experienced violence in Wales than in England in 2018-19 as violent crime decreased in England overall since 2014-15. Regionally, the East Midlands stands out as a greater proportion of the population experienced violent crime, following an increase in violence since 2014-15.
- Across all regions there is a worsening of educational outcomes as measured by the percentage achieving Level 2 or Level 3 by age 19, apart from London which not only stands out as having the highest levels of achievement for both measures in 2019, but also is the only region to show improvement in achieving Level 3 since 2015. The North East, Yorkshire and Humber and the East Midlands have the lowest levels of achievement across both measures in 2019. Since 2015 achievement gaps in Level 2 and Level 3 by age 19 increased for all regions compared to London.
- The permanent exclusions rate also either worsened or remained unchanged in all regions with the highest exclusion rate at both the start and end of the period in the North East.
- In higher education, pupils from London continue to have the highest progression rate to higher education and those from East Midlands and Yorkshire and Humber - the lowest rates. The regional gaps in higher education participation between London and other areas have widened for almost all regions. Graduates in London are also more likely to be in high-skilled employment at ages 21-30 years, whilst graduates in the North East and East Midlands are least likely to be in high-skilled employment.

- In health, the gap in life expectancy between the areas with highest and lowest life expectancy increased for both males and females.
- In adult social care, service users' satisfaction with support and care remains lowest in London.
- In early childhood, the number of children achieving a good level of development (as measured by EYFSP) increased across all English regions and regional inequalities narrowed, though in 2018/19 rates were highest in the South East and London and lowest in the North West. The percentage of babies born with low birthweight is highest jointly in both England and Wales and lowest in Scotland. Across English regions, low birthweight is more prevalent in Yorkshire and Humber and London and lowest rates are in the South West and South East. The inequalities in low birthweight across regions remained stable since 2015 as there was no change in low birthweight rates for most regions, apart from the North East which saw a slight decrease in the rate of low birthweight since 2015.
- The employment rate increased across all English regions and UK countries since 2015. Comparing UK countries, the employment rate was highest in England in 2019 (77%) and lowest in Northern Ireland (73%). Across English regions the South East had the highest employment rate in 2019 (80%), with the lowest employment rate in the North East (73%), with the gap between both regions increasing since 2015.
- Core homelessness⁴¹ remained highest in England in 2017 and lowest in Wales, which saw decreases since 2014, whilst homelessness continued to increase in England and Scotland. Across regions in England core homelessness remained far higher in London compared to all other regions in 2017 and also had the highest increase since 2014. In 2017 core homelessness per 1,000 households was 19 in London compared to 3.2 in the North West which had the lowest rates.

Trends in outcomes by socioeconomic deprivation

Since 2015 inequalities have widened by area deprivation, with the gaps in life expectancy, unmet need for social care among over 65s, violent crime and in education (achieving Level 2), widening between the most and least deprived areas. Participation in higher education is one example where socioeconomic deprivation gaps have narrowed slightly, however large inequalities remain.

- In general violent crime is higher in areas of higher deprivation as measured by the Index of Multiple Deprivation (IMD). In the first period

⁴¹ Core homelessness is a more recently developed concept that focuses on the most extreme and immediate circumstances of homelessness giving a fuller focus on single homelessness. See Appendix 3 for notes on this measure.

there was some progress in narrowing the gap in violent crime experienced in the most disadvantaged IMD decile and the least disadvantaged IMD decile since 2009-10. However, this progress then stalled as there was little change in the gap between areas in the most and least disadvantaged IMD decile since 2014-15 and across many IMD deciles the gap in violent crime actually widened again.

- Both male and female life expectancy continues to be clearly patterned by IMD with life expectancy continuously decreasing in areas from more disadvantaged IMD deciles. The male and female life expectancy inequalities actually widened between the most advantaged and least advantaged IMD deciles since 2014/15.
- Inequalities in access to cancer care narrowed between the most deprived and least deprived IMD quintiles, though in 2019 people in more deprived areas were still more likely to have to visit their GP three or more times before being referred to hospital, compared to people in the least deprived areas.
- Homelessness, measured by both priority need acceptances and the number of homeless households placed in temporary accommodation, remained highest in the most deprived IMD quintiles. The most deprived quintile also experienced larger increases on both measures between 2014 and 2017. Differences between the middle and two most deprived quintiles and the least deprived quintile also widened further since 2014.
- In adult social care, the percentage of adults aged 65 or over with unmet need in the most deprived areas was more than double the percentage of adults with unmet need in the least deprived areas in 2018, and the gap has increased since 2015.
- Focusing on a different measure of deprivation – the Income Deprivation Affecting Children Index (IDACI) – we see that inequalities actually widened in terms of educational achievement as measured by achieving Level 2 by age 19. This is following steeper declines in the Level 2 achievement rate in the most deprived 25% since 2015. For achievement of Level 3 by age 19 the gap between the most deprived and least deprived 25% remained the same since 2015.
- In early childhood, rates of good development (as measured by EYFSP) improved across all IDACI deciles and gaps narrowed between the more deprived deciles and the least deprived decile. However, inequalities remained with 64% of children in the most deprived IDACI decile achieving a good level of development in 2018/19 compared to 81% of children in the least deprived decile. Importantly, if a different and individual-level (as opposed to area-based) measure of deprivation is used – eligibility for

free school meals (FSM) – the gap in levels of good development between more and less advantaged children has actually widened since 2014/15, as discussed in Stewart and Reader (forthcoming).

- Inequalities in low birthweight widened between those born into families where the household head is in the routine/manual occupational class compared to those born to families from a professional/managerial occupational class, as the percentage of babies born with low birthweight increased since 2015 for the routine/manual occupational class but remained stable for the professional/managerial class. In 2018 8.4% of babies from a routine/manual class family background had a low birthweight compared to 6.1% of babies from a professional/managerial class family background.
- Finally, Participation of Local Areas (POLAR) quintiles rank small areas according to their participation in higher education, with quintile 1 being the most disadvantaged with the lowest participation rates. By this measure we see that the gaps in higher education participation between the most and least disadvantaged quintiles have narrowed slightly since 2015, though large differences remain. In 2018/19 27% of students from quintile 1 progressed to higher education, compared to 58% of students from the most advantaged quintile 5.

Summary

Looking across policy areas the majority of outcomes have worsened overall since 2015, with a slowdown or stall in improvement for a number of outcomes as well. There have been some narrowing of inequalities between groups, though at times this has been due to a levelling down rather than levelling up. A number of inequalities have actually widened since 2015, and there are examples of this for all of the groups we consider here, but particularly for different ethnic groups: inequalities across all poverty measures (relative AHC, anchored AHC, relative child poverty AHC) have increased with those from a Bangladeshi, Pakistani and Black ethnic group standing out as being particularly disadvantaged. The same ethnic groups have experienced increased inequality in the labour market with employment gaps widening since 2015 and increased inequalities in in-work poverty. Disproportionality of stop and search has worsened for all ethnic minority groups, but particularly for Black individuals who experienced the largest increase in stop and search and from the highest rates to start with. Ethnic inequalities also widened in early childhood development and educational attainment for most ethnic groups, and despite Black students having relatively high rates of progression to higher education, Black graduates experienced increased employment gaps in high skilled employment compared to White graduates.

Widening inequalities are also notable by socioeconomic deprivation: inequalities in life expectancy, social care unmet need for over 65s, violent crime and educational attainment (GCSE) have all increased between the most and least

deprived areas. Inequalities in low birthweight between babies born to families from a routine/manual occupational background compared to a professional/managerial background have also widened. Regional inequalities have also increased for life expectancy, child poverty, educational attainment (GCSE and A Level), higher education and employment rates. The employment rate has improved for people with disabilities but at the same time in-work poverty has increased for workers living in households with at least one disabled person, the proportion of graduates with disabilities in high skilled employment has declined, widening inequalities, and educational inequalities in terms of early childhood development, educational attainment (GCSE) and permanent exclusions have widened for students with Special Education Needs (SEN). Whilst there has been progress in addressing some gender-based inequalities, in adult social care inequalities have widened for unmet need for the over 65s, with women more likely to have unmet need as well as lower levels of satisfaction with care and support as service users. There has also been a widening of educational inequalities where men are relatively disadvantaged – inequalities have widened across permanent exclusions, educational attainment at GCSE and A-level and progression to higher education. Finally, when we consider different households affected by the policies evaluated in this paper, single parents stand out as experiencing an increase in in-work poverty.

4 Social Security from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes – Kerris Cooper and John Hills

The role of Britain's social security system has changed profoundly, looking over the last decade. Those changes shaped the system in place in March 2020 to cope with the shock to living standards created by the COVID-19 pandemic.

- Social security and tax credit spending had peaked at 11.8 per cent of GDP in 2012-13 but fell to 10.0 per cent in 2019-20. Real spending on pensioners was the same in 2019-20 as 2014-15 but spending on children fell further (the fall totalling £10 billion over the decade to 2019-20).
- The value of the state safety net has become even more strongly dictated by age. In 2019 the minimum income guaranteed for a pensioner couple placed them just above the poverty line, while for working-age couples this fell to just 42% of the poverty line, and much less, if Housing Benefit shortfalls or Universal Credit repayments are taken into account.
- Progress in reducing poverty stalled. Against a *fixed threshold*, overall poverty rates (before and after housing costs) were the same in 2018-19 as they had been in 2014-15. *Relative* poverty rates were on a broadly rising trend overall and for children after 2012-13, back to the same levels as in 2009-10.
- The proportion of people in poverty with income from work continued to rise, as in-work benefit cuts and higher rents outweighed higher minimum wages and tax allowances.
- The rolling out of Universal Credit (UC) was not accompanied by strong evidence of increased employment, a key aim. There is also growing evidence that some of the features of UC are associated with a range of negative outcomes, including increased hardship and foodbank use and negative impacts on mental health.
- Some changes to social security enabled a more rapid response to the COVID-19 crisis. But the crisis has highlighted gaps in the social security system reflecting the accretion of policy decisions over the last decade with the potential for widening and prolonged hardship.

4.1 Aims and goals

The evolution of the social security system under the Conservatives between 2015 and 2019 was dominated by the inherited pension and Universal Credit reforms and the July 2015 Budget objective to save £12 billion per year from working-age social security. After the 2017 election, as with many other social policy areas, the political and administrative focus on Brexit left no time for social security policy development beyond delivery of the cuts already decided on and continued roll-out of Universal Credit.

4.2 Policy developments

The goal to save £12 billion per year drove a further series of austerity measures, notably the cash freeze of most working-age benefits (including Housing Benefit caps), reductions in tax credits or Universal Credit for new recipients of in-work benefits, and the two-child limit removing additional benefits or tax credits for third or later children born from April 2017.

Some of the initially intended cuts were moderated, with some protection for existing tax credit claimants and concessions on the design of Universal Credit, with the waiting time for payment after a successful claim reduced from six to five weeks, while a system of repayable advances was introduced and extended. A concession was also made to the two-child limit in 2019 so that it only applied to new births after the policy was brought in. The Office for Budget Responsibility estimated that actual savings in 2019-20 were £8.4 billion, rising to £9.1 billion in 2020-21, 70 per cent of the savings planned in 2015.

Ambitions to transfer all of those on 'legacy benefits' to Universal Credit were further delayed, but 2.8 million people were receiving UC at the start of 2020. Disability benefit reform also continued, but with some changes moderated.

At the same time, minimum wage levels continued to be increased in real terms and in relation to median wages, and the government further increased the value of the tax-free personal allowance. These were intended both to increase work incentives and to be the "most effective poverty-tackling measure there is".

By contrast with most working-age benefits, the real values of state pensions were protected and improved through the continuing 'triple lock' on annual changes. However, the increases in State Pension Age announced by the Coalition government continued, to reach 66 for both men and women by the end of 2020. This slowed rising spending on pensioners, but meant that more of those in their 60s had the value of the state safety net set by much less generous working-age rates.

4.3 Public expenditure

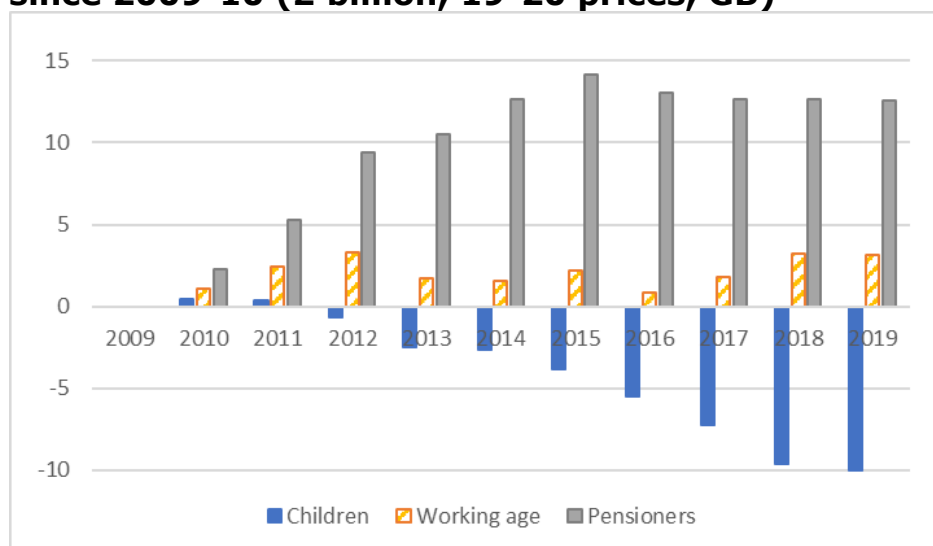
Over the whole decade from 2009-10 to 2019-20 total spending on social security and tax credits rose from £215 to £221 billion per year (GB, 2019-20 prices). But real spending was largely flat between 2012-13 and 2015-16, and then fell under the Conservative government, reflecting cuts in the values and entitlement rules for working-age benefits, the substantial fall in unemployment, and the increases in State Pension Ages.

Spending had peaked at 11.8 per cent of GDP in 2011-12 and 2012-13 but fell to 10.0 per cent by 2019-20, just above the level it had been for the Labour governments from 1997-98 until the onset of the economic crisis in 2008.

Within these totals there was a large change in the balance of spending between age groups (Figure 11). Real spending on pensioners was at the same level in 2019-20 as in 2014-15, £14 billion higher than in 2009-10. Spending related to children (such as Child Benefit and tax credits to families with children) fell both

before and after 2015, and by £10 billion over the decade. Spending on pensioners rose to 56 per cent of the total, while child-related spending fell to 17 per cent of the total. Real spending per child aged under 18 fell by a quarter.

Figure 11 Cumulative change in social security and tax credit spending since 2009-10 (£ billion, 19-20 prices, GB)



Source: Department for Work and Pensions (2019) and HMRC (2019). For underlying figures, see Appendix Table A1 in Cooper and Hills (forthcoming)

Driving these changes were increasing spending on state pensions (by themselves totalling £100 billion in 2019-20) and spending on disability benefits, but falling spending after 2012-13 on Housing Benefit and unemployment benefits. By the end of the period unemployment benefits and associated Housing Benefit were less than 2 per cent of total spending.

Alongside these changes in benefit payments, DWP's running costs budget fell in real terms by 41% between 2010-11 and 2019-20, from the equivalent of 6.0% to 3.2% of DWP benefit spending. Achieving such savings was an important driver of choices made in delivering Universal Credit, such as claiming on-line by default.

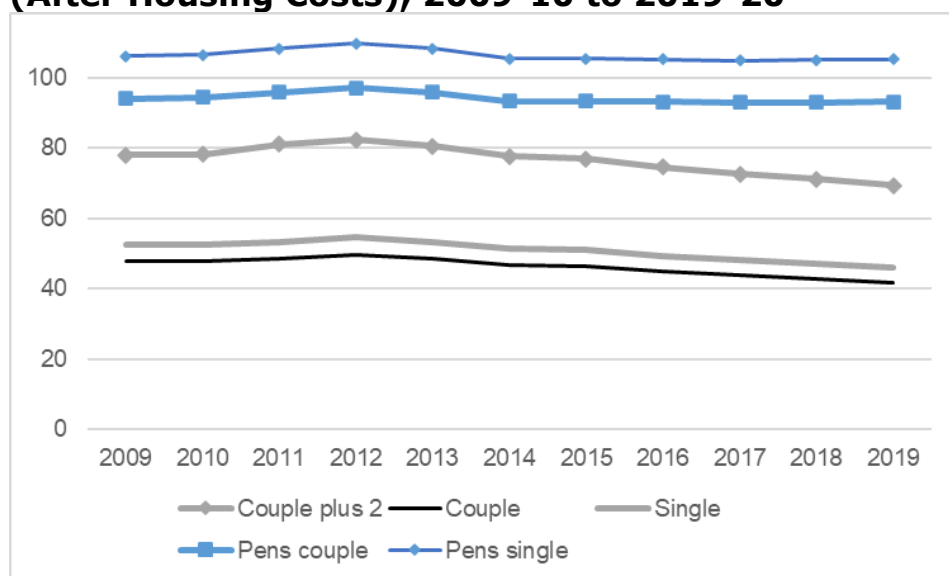
4.4 Outcomes

How well has the social security system performed?

A fundamental measure of the generosity of the social security system is the relationship between the minimum income guaranteed by the state and the poverty line. Here there has been a profound change, as shown in Figure 12. The minimum for pensioners given by Pension Credit remained just below the relative poverty line (using 60 per cent of median income after housing costs) for couples and just above it for single pensioners between 2010-11 and 2019-20. But for single non-pensioners the out-of-work safety net fell from 53% to a maximum of 46% of the poverty line, and for non-pensioner couples from 48% to 42%.

However, restrictions in Council Tax support, Housing Benefit shortfalls and repaying Universal Credit advances mean that net income could be only a *quarter* of the poverty line for non-pensioners without children. Benefits are a higher proportion of the poverty line for those with children but also fell over the period, for example from 88% to 64% of the poverty line for a couple with three children including a baby affected by the two-child limit in 2019-20 (and to only 53% if they were affected by typical Council Tax and Housing Benefit shortfalls).

Figure 12 Value of the state safety net as percentage of poverty line (After Housing Costs), 2009-10 to 2019-20



Sources: Authors' calculations based on Institute for Fiscal Studies (2019a, 2019b) with Resolution Foundation projections of change in prices from 2017-18 to 2019-20.

Beyond this, the extent of sanctioning and reduction or removal of benefits for non-compliance with 'conditionalities' varied widely across the decade. The number of sanctions rose rapidly to reach a peak of 1.1 million in 2013 but had fallen back to 210,000 in the year to July 2019. The rate of sanctions at any one time to Universal Credit claims where conditionality applied initially ran at 10% of claims in March 2017 but had fallen to 2.4% by August 2019.

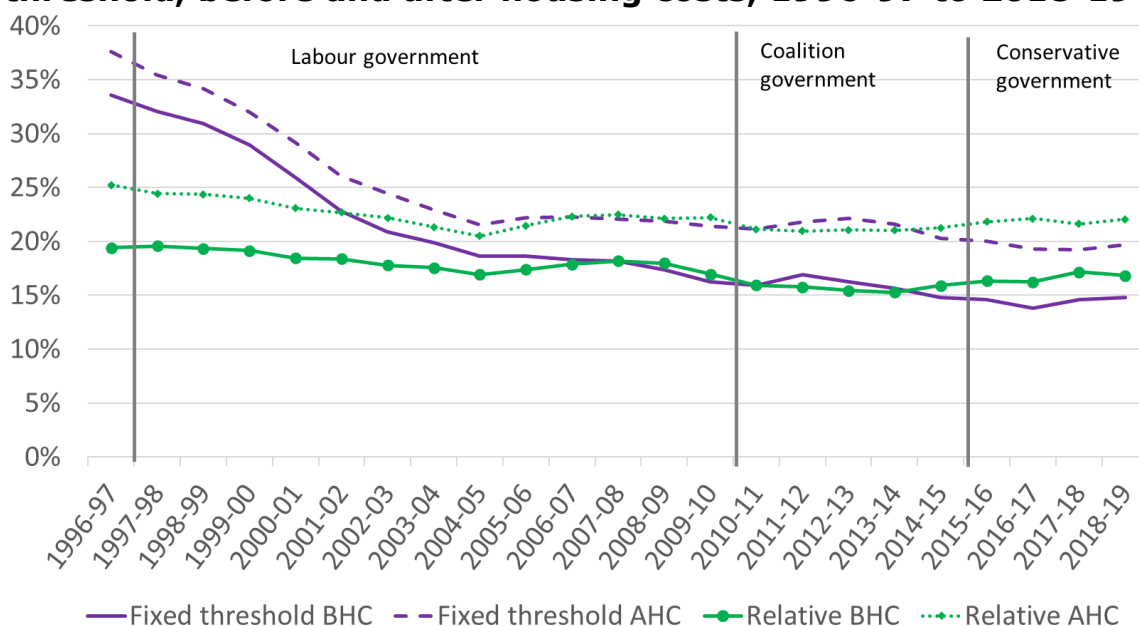
Analysis by the Institute for Fiscal Studies and the Resolution Foundation shows that the distributional effect of benefit and tax reforms from 2010 to 2019 was regressive. IFS modelling suggests a net loss from combined reforms (when fully rolled out) equivalent to 5 per cent of their net income for the poorest tenth of households, but small gains for most of the top half of the distribution, apart from a small loss for the top tenth.

What have been the short-term outcomes?

Conventional measures of income poverty show progress stalling. Against a *fixed threshold*, overall poverty rates (before and after housing costs) were the same in 2018-19 as they had been in 2014-15. This lack of progress contrasts with

the rapid reduction up to 2004-05, and slower progress after then (Figure 13). *Relative* poverty rates also flattened out after 2004-05. The downward trend up to 2013-14 (when benefits were price-protected but other incomes were falling) were reversed, and relative poverty in 2018-19 was at the same level as in 2009-10.

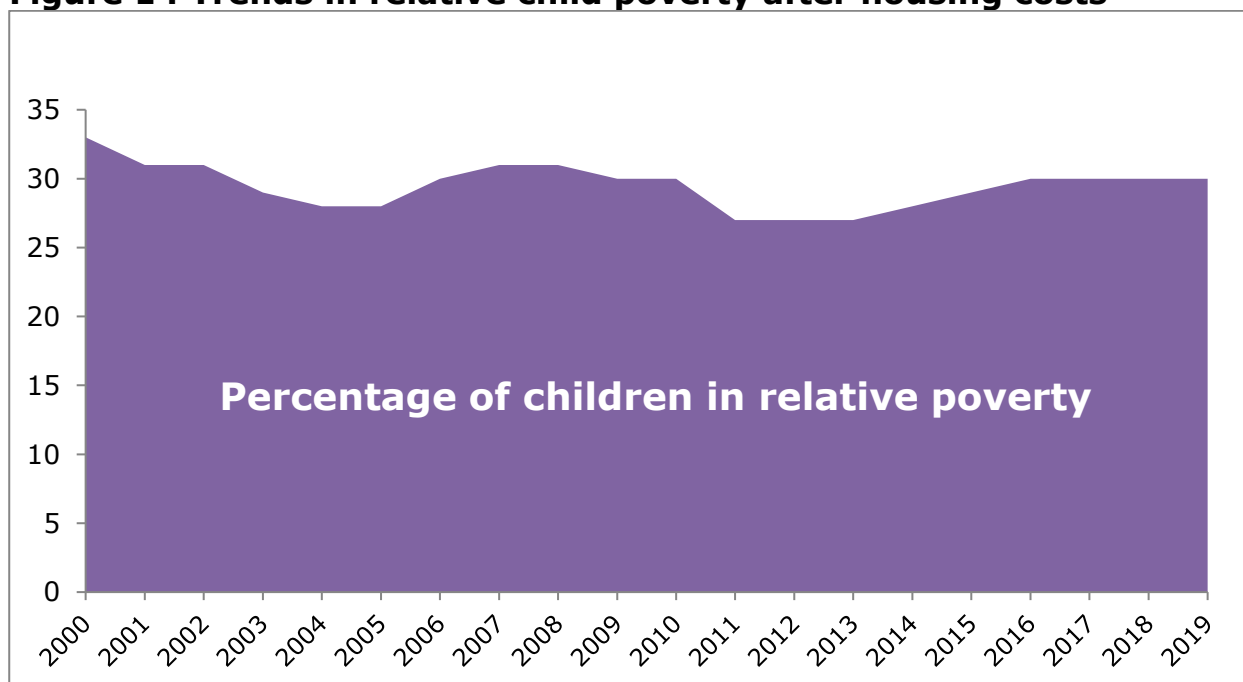
Figure 13 Overall trends in relative poverty and poverty against a fixed threshold, before and after housing costs, 1996-97 to 2018-19



Notes: Relative poverty uses threshold of 60 per cent of contemporary median income; fixed threshold is 60 per cent of median income in 2010-11. Figures refer to all individuals, including children. GB figures until 2001-02, UK from 2002-03. Source: Institute for Fiscal Studies (2020).

Within these totals, relative poverty rose after 2012-13 for children, taking it back by 2018-19 to 30% (after housing costs), the same level as 2009-10. Against a fixed threshold, child poverty flattened out, but remained lower than in 2009-10. Relative child poverty (after housing costs) increased for children in larger families and children living in families from a Bangladeshi and Pakistani background. Child poverty for children living in single parent families had increased from 2013-14 to 2016-17 before falling back. The increasing reach of policies in place by the end of 2019, especially the two-child limit, implied further increases in relative child poverty.

Figure 14 Trends in relative child poverty after housing costs



Source: Department for Work and Pensions (2020a)

Over the long-term, pensioner poverty has fallen. In 1996-97 children and pensioners had the same poverty rate against the current fixed standard; by 2018-19 the rate for pensioners was half that for children. In relative terms, pensioner poverty rose after 2012-13 (partly as a result of variations in how private pensions have been reported in different years).

There has been a significant rise in the proportion of those in poverty who also have income from work, part of which is due to the risk of in-work poverty increasing, despite higher tax allowances and minimum wages, as their effects were more than offset by the lower in-work benefits and higher housing costs.

More severe measures of deprivation also showed progress stalling, with an increase in severe income poverty (below 40% of median income) as well as an increase in expenditure poverty, though material deprivation overall fell. There is also evidence that destitution fell between 2015 and 2017, likely to be linked to the reduced use of sanctions after their 2013 peak. At the same time, rough sleeping and statutory homelessness in England increased, with more households at risk of homelessness due to increasing shortfalls in rent, following the freeze on Local Housing Allowance and the revised benefit cap.

One of the major policy changes of this period, the rolling out of Universal Credit, was accompanied by evidence of some negative outcomes, with little conclusive evidence of increased employment, a key aim. The effect of the delay in receiving the first payment (or deductions to pay back advances), and the levels of income received on Universal Credit have been associated with increased hardship and increased foodbank use. There is some evidence of women being pushed into sex work to make ends meet, while the single payments made to couples can increase risks for those experiencing domestic abuse. Studies have

found increased conditionality to be associated with negative impacts on mental health.

4.5 Conclusions and policy challenges looking forward

The December 2019 Conservative election Manifesto made few new social security announcements. It confirmed the cash freeze on working-age benefits would end, with an increase linked to prices in April 2020. But more than a quarter of the £12 billion cuts planned in 2015 were yet to be implemented, including more families affected by the two-child limit (Gardiner, 2019) and withdrawal of the 'family premium' in UC and tax credits for children born since April 2017. As more transition to UC there will be big changes in amounts of benefit entitlements (with winners and losers), and fewer people helped by 'transitional protection' for those previously receiving tax credits. However, previously announced changes to the National Living Wage will increase earnings of low-wage employees. The Manifesto said that disabled people whose condition was unlikely to change would face fewer reassessments.

In outlining a new immigration system the Manifesto promised restrictions for people coming into the country from the EU, implying only being able to access unemployment, housing and child benefits after five years (as now for non-EEA migrants), as well as increasing the health surcharge. The Manifesto promised not to raise income tax, National Insurance or VAT and to raise the National Insurance threshold. The 2017 manifesto's plan to move to a less generous 'double lock' on pensions was reversed with a promise to keep the triple lock.

Policy challenges looking forward

Ageing and sustainability

The first long-term challenge is the cost of ageing. The increase in State Pension Ages to 66 by the end of 2020 for men and women kept real spending on pensions in check in the second half of the 2010s, but is now almost over, so rising pensioner numbers will combine with the increasing generosity of pensions from the 'triple lock' to increase pressures on the overall social security budget.

Total social security and tax credit spending fell as a share of GDP after 2012 through cutting the real value of working-age benefits and more specific cuts. The gap in treatment of pensioners and non-pensioners has widened considerably, especially after 2015. Even without shortfalls, the real minimum income for non-pensioners without children in 2019-20 was lower than 25 years before.

The challenge is whether it is sustainable to continue to contain overall spending by continued diminution of the relative value of working-age benefits, especially for children, so the system contributes less and less to ameliorating poverty. The increasing difference in treatment between pensioners and working-age people means that the cliff edge in protection from poverty at the State Pension Age (SPA) will continue to grow.

The pension reforms since 2005 relied on a political consensus that may no longer exist, following the accelerated increase in State Pension Ages introduced by the Coalition as an austerity measure and the 'pension freedom' for use of accrued pension without consultation or consensus. The reforms highlight the unanswered question of why pension saving should receive such favourable tax treatment.

The treatment of the non-pensioner population

The effect of the reforms of the 2010s yet to come were projected by the Resolution Foundation before the pandemic to imply 600,000 more children in poverty by 2023-24 than in 2017-18. Part of the background to family hardship has been the growing number of families with children in the private rented sector facing shortfalls in Housing Benefit compared to their rents. At its root, this problem stems from the collision of shortages in the overall housing market and the policy objective of capping Housing Benefit spending in the face of rising costs.

The spread of Universal Credit will mean increasing numbers affected by its design issues including: payment in arrears (or repayment of advances); the need for budgeting to cope with single monthly payments; effects on landlords and their willingness to house UC recipients in the face of potential rent arrears; and effects within some couples from the move to a single household payment.

In principle, those still receiving 'legacy benefits' were to be moved onto Universal Credit by 2025 through 'managed migration'. It is possible that 'legacy' systems may in fact be left to wither on a very extended vine to avoid the painful jolt in treatment for existing recipients. This would leave parallel – and very different – administrative systems in place for years to come.

Successive reforms to disability and incapacity benefits have not reduced overall spending, despite increasing harshness of testing. Many of the roots of this lie outside social security, in the effectiveness of the labour market to adapt to people with different needs and in profound inequalities in health and disability status.

The implications of Brexit

A companion paper has looked in detail at the implications of Brexit for social policies more widely, pointing to four challenges for the social security system:

- The economic outcomes are still highly uncertain but dependent on the form of trade relationship applying after 2020. If adverse, the effect would increase demand for social security but reduce tax resources.
- Lower net migration could reduce demand pressures on the housing market (but might reduce building). If that led to lower rents, some of the pressures driving increasing Housing Benefit shortfalls could be reduced.

- UK nationals moving to another EU country may find themselves no longer entitled to social security provision there. By easier access to permanent residence, EU nationals already in the UK will, in principle, be *less* likely to be excluded from social benefits than without Brexit. However, some who fail to complete this process may end up losing out, with the 'Windrush' scandal providing a worrying recent precedent.
- For EU/UK citizens moving after the Brexit transition period, there is continuing uncertainty and complexity regarding entitlements. But if post-Brexit policy for EEA migrants is based on existing policy for non-EEA migrants, it points to new divisions in security of status and social rights between higher-skilled and lower-skilled migrants.

The overall state of the social security system on the eve of the coronavirus pandemic

Social security systems are designed, in varying degrees, to address four aims which give a framework for considering how well the British social security system, as it had evolved by the eve of the 2020 pandemic, met those aims, with some of the Government's immediate responses also pointing to areas where it fell short.

Prevention and relief of poverty

Pension Credit should keep most pensioners at least either just above or only just below the conventional relative poverty line. Most future retirees with good National Insurance records will receive a state pension above this. However, the minimum incomes given by Universal Credit (or legacy benefits) for working-age people and children are far less generous, for some far below the poverty line.

The immediate response to the COVID-19 crisis included a temporary flat rate increase for each family in the rate of Universal Credit (or tax credits), funding to increase Council Tax support, and reversal of some of the cuts in Housing Benefit limits since 2013. Those changes did not reflect family size and the two-child limit remains in place. The on-line claiming system proved a strength of the UC system for many of those who had the IT skills to do so, some of whom also had the resources to cope with payment delays. It remains to be seen how smoothly the system worked for those with fewer skills and resources. The immediate very large increases in foodbank use at the end of March 2020 are very concerning.

Protecting accustomed living standards against unexpected events

Earnings-related additions to working-age social security were abolished in the 1980s, and the scope of 'insurance-based' unemployment benefits dwindled further over the 2010s. The system no longer has a mechanism to protect accustomed living standards for those previously in work. It was the 'furlough' scheme, based on 80 per cent of previous earnings or self-employed profits, that has attempted to protect the previous living standards of those unable to work because of the crisis, rather than the social security system.

Smoothing incomes over the life cycle

A central function of social security is to smooth out incomes over more predictable changes across the life cycle, notably between working careers and retirement, and towards when people have children or other caring responsibilities. The system has increasingly been aimed at the first, with spending on pensioners rising to 56 per cent of the total by 2019-20. Pensioner poverty rates have fallen over the long term and median pensioner incomes were much closer to the overall median by the mid-2010s than 20 years before. By contrast, support for families with children fell over the last decade, by a quarter for each child. The system does much less than it did to even out that part of life cycle variation.

Reducing horizontal inequalities between those with different needs

The gap in relative poverty rates between people in families without a disabled member and those with a disabled member widened after 2012-13 and while the relative poverty rate for families with a disabled child, similar to that for other families in 2010-11, has increased more steeply than for others. If 'extra costs' benefits are discounted to allow for those needs in calculating resources, the Social Metrics Commission calculates that nearly half of people living in poverty on their measure live in families containing a disabled member.

The current public health emergency and economic crisis have shown some strengths but also exposed alarming weaknesses in Britain's social security system. There has been no immediate crisis in pensioner incomes. For those not covered by 'furlough' support, actually claiming safety net support through Universal Credit has proved much easier for many new claimants than it would have been under previous systems. But that safety net is far lower than it was at the time of the last economic crisis, and has much wider gaps in the protection it offers, particularly for families with children. Those weaknesses can be traced back to the accretion of policy decisions over the last decade. Steps have been taken to moderate some of them in the response to the crisis, but large gaps remain, with the potential for widening and prolonged hardship.

5 Employment from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes Abigail McKnight and Kerris Cooper

After taking office in 2015 the Conservative Government made commitments to increase employment; increase pay; close the disability employment gap; close the gender pay gap and the 'race gap' in workplaces; and provide greater protection to temporary workers and those on zero hour contracts. Since 2015 there have been a number of policy developments, and some positive trends in outcomes, though with significant ongoing challenges and key vulnerabilities on the eve of the COVID-19 pandemic.

- Key policy changes include the rollout of the Work and Health Programme, an element of in-work conditionality in Universal Credit and the White paper 'Improving Lives' set out a ten year strategy to increase the employment rate for people with disabilities.
- The National Living Wage was introduced in 2016, increasing the wages of the low paid, and there were increases to the personal tax free allowance.
- There were also some important legal changes: from 2015 exclusivity clauses in zero hours contracts were banned; from April 2017 it became compulsory for companies with 250+ employees to report their gender pay gap at the end of each financial year.
- The Work and Health programme, a scaled down version of the Work Programme, put greater emphasis on sustained employment but the vast majority of participants do not achieve this outcome.
- In terms of broader labour market outcomes there were some positive trends including record levels of employment and a decrease in earnings inequality following the introduction of the National Living Wage.
- However some negative challenges persist as in-work poverty has increased, labour productivity remains low and a decade of wage growth was lost.
- Brexit is likely to present further challenges including lower economic growth, lower migration and a potential erosion of workers' rights.
- The outbreak of COVID-19 as we write will have severe negative impacts on the economy and employment in the short, medium and long term. On the eve of the pandemic the labour market was subdued and many employment indicators, after a period of progress, had levelled off.

5.1 Aims and goals

We have three Conservative party manifestos under three different Prime Ministers to draw on from this period. Whilst there were some shifts in emphasis a number of key policy goals were common to all three. The first of these is

increasing employment, with ambitious targets in the 2015 manifesto to achieve full employment and the 'highest employment rate of any major economy'. Relatedly, in-line with making sure work always pays, the party committed to increasing take-home pay, by increasing the personal tax allowance and the minimum wage (although the main motivation for this was to reduce the cost of in-work benefits). A third goal in all three manifestos was to close employment and pay gaps, focusing on the disability employment gap in particular, as well as the gender pay gap and ethnic pay gap. Finally, the party also committed to improving workers' rights, particularly in relation to zero hours contracts.

5.2 Policy developments

Health and disability

The White paper 'Improving Lives: the Future of Work, Health and Disability' was published in November 2017, outlining a ten year strategy to get one million more disabled people into employment, setting out policies across the work, welfare and health setting and including commitments to report on progress each year. A number of the policies have since come into effect such as the Personal Support Package which was rolled out in April 2017 to provide tailored support for Employment Support Allowance (ESA) claimants in the work-related activity group and Universal Credit (UC) claimants with limited capability for work. In late 2019 the Intensive Personalised Support Programme was introduced to support people with disabilities or a long term health condition who are at least one year away from moving back into employment.

Increasing employment

Two main policy changes have been introduced in relation to increasing employment, although neither will have a large impact on employment rates. The first is the introduction of the Work and Health Programme in November 2017. It is an active labour market programme (replacing the Work Programme) designed to help some groups of individuals find sustained work. Unemployment benefit claimants are referred to the programme after two years (under the Work Programme they were referred after one year). People with disabilities, those in the priority early access groups, including carers, homeless people, refugees, victims of domestic violence and ex-offenders, can access the programme on a voluntary basis. Delivery of the programme is outsourced on a payment by results model. The programme is devolved in Scotland, Manchester and London. Support includes regular face-to-face mentoring and integrated support networks across health and employment services.

The second was the rollout of Universal Credit. Although strictly speaking a social security policy, key features relate to employment policy. UC introduced in-work conditionality for the first time, where claimants are required to secure more work or better paid work in order to reach an earnings threshold. The earnings threshold is calculated for each claimant and is based on working a 35 hour week on the relevant minimum wage; adjusted for claimants who are expected to be able to work less due to e.g. looking after dependent children or having a limiting disability or health condition. Provisional estimates from January 2020 suggest

that in-work conditionality was applied to 14% of all UC claimants (48% of UC claimants who were in work).

Self-employment and the 'gig' economy

The Taylor Review of Modern Working Practices was published in July 2017 with a focus on new forms of work including those in the 'gig' economy and implications for employers' and workers' rights and obligations. The government agreed to work towards legislating on clearer definitions of employment status to address the issue of false self-employment. There have also been some important legislative changes with exclusivity in zero hours contracts banned in 2015 and additional protections from unfair dismissal related to this introduced in 2016. There has also been a clampdown on false self-employment, granting HMRC powers to request employment agencies to supply details of workers not paid via PAYE.

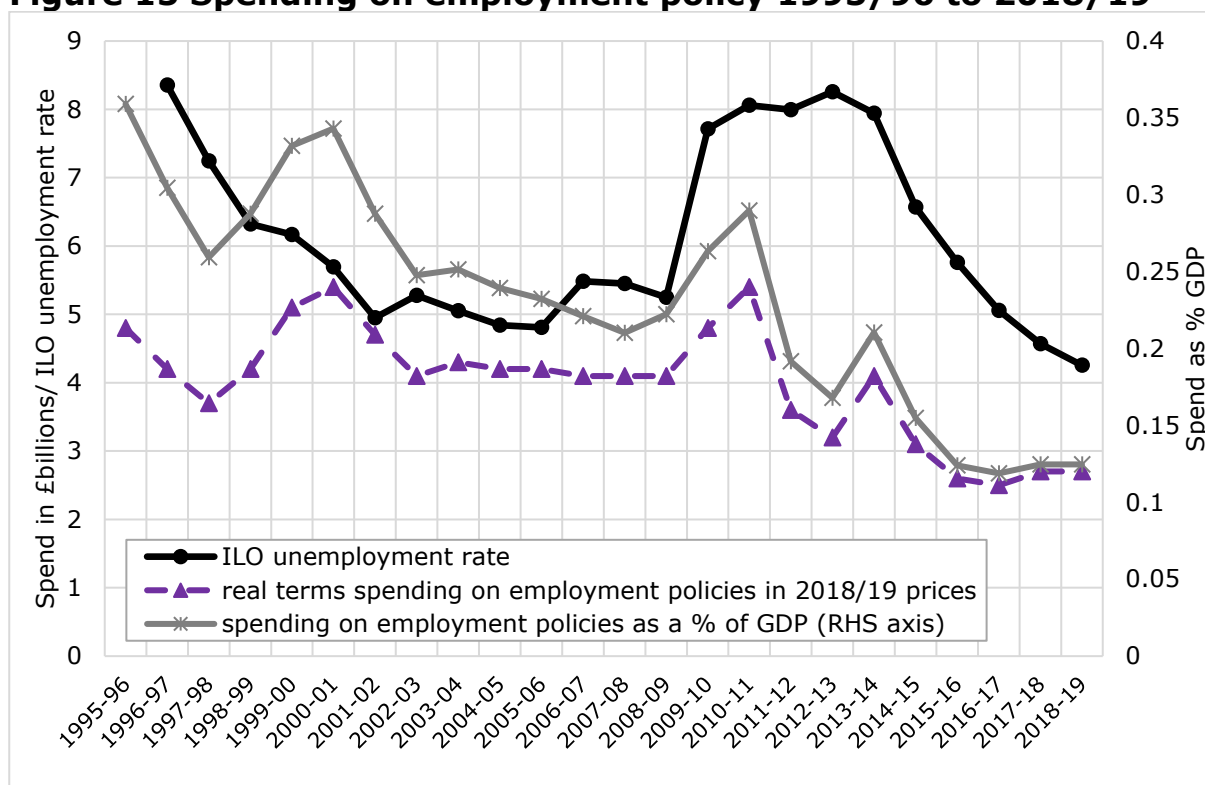
Pay and pay gaps

The National Living Wage (NLW) was introduced in April 2016 for employees aged 25+ with a target set so that it should reach 60% of the median wage in 2020. The tax-free annual allowance was increased to reach £12,500 by 2019/20. Changes to the Equality Act came into effect in April 2017 making it compulsory for employers with 250+ employees to report their gender pay gap at the end of each financial year. In February 2017 the McGregor-Smith review on 'Race in the workplace' was published, highlighting issues of bias and discrimination that prevent minority ethnic groups from progressing in the labour market, and a review published one year on found there had been little progress in this area. The government launched a consultation into reporting ethnic pay gaps in December 2018, but the outcome has not yet been published.

5.3 Public expenditure

Spending on employment policy is low and the level of spending is sensitive to the unemployment rate, with higher spending required when unemployment increases and lower spending when it falls. As can be seen in Figure 15, unemployment and expenditure rose following the 2007/8 financial crisis, then between 2010/11 and 2012/13 expenditure fell sharply but unemployment increased; this is explained by a shift to deferred payment under the Work Programme. Since 2015/16 spending has been stable at around 0.12% of GDP (£2.7 billion) despite falling unemployment.

Figure 15 Spending on employment policy 1995/96 to 2018/19



Source: Public Expenditure Statistical Analyses (PESA) (HM Treasury, 2019c), Tables 4.3 and 4.4. Unemployment data from ONS UNEM01 SA: Unemployment by age and duration (seasonally adjusted) (21 January 2020), Series LF2Q.

5.4 Outcomes

How has the Work and Health Programme performed?

The aim of the Work and Health Programme (WHP) is to secure sustained work for participants. No evaluation evidence is currently available to assess the impact of WHP but the vast majority of participants do not secure this outcome.

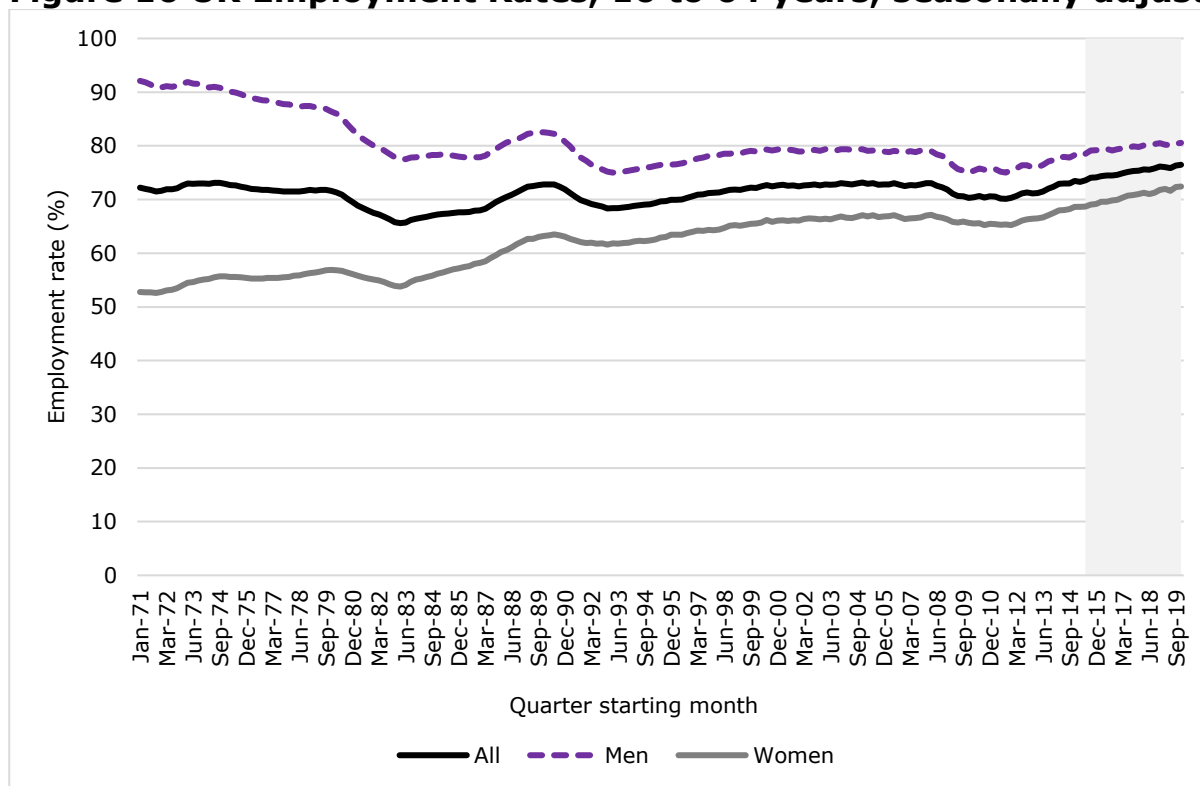
What has happened to wider labour market outcomes and how have different groups fared?

Employment, unemployment and inactivity

Employment rates have increased and unemployment decreased since the recovery from the 2008 financial crisis. Whilst employment has reached a record high this has mainly been driven by an increase in female employment which is at a historic high, unlike male employment (Figure 16). From an international perspective, employment rates compared favourably to other European countries and the US even if the 2015 manifesto target of 'the highest employment rate of any major economy' was not met. However, there were signs by 2019 that progress on employment and unemployment was levelling off. In addition, rates of young people not in employment, education or training

stopped falling by 2017, the number of vacancies fell in 2019 and job-to-job mobility was flat from the middle of 2015 and even fell in 2019.

Figure 16 UK Employment Rates, 16 to 64 years, seasonally adjusted



Source: Labour Force Survey, ONS Labour market overview, UK: February 2020 (Office for National Statistics, 2020e).

Self-employment and zero hours contracts

There has been an increase in the share of zero-hours contracts, although the interpretation of levels and trends is difficult due to general underreporting and wider recognition resulting in greater reporting over time. An increase from 2018 is more reliable, but it is important to highlight that the share of people employed on these contracts is low; only 3% by December 2019. For self-employment, the large increases observed following the financial crisis slowed and there was little change in the number of self-employed after 2018 but historically high levels of self-employment and employees on zero-hours contracts on the eve of the COVID-19 pandemic left many workers vulnerable.

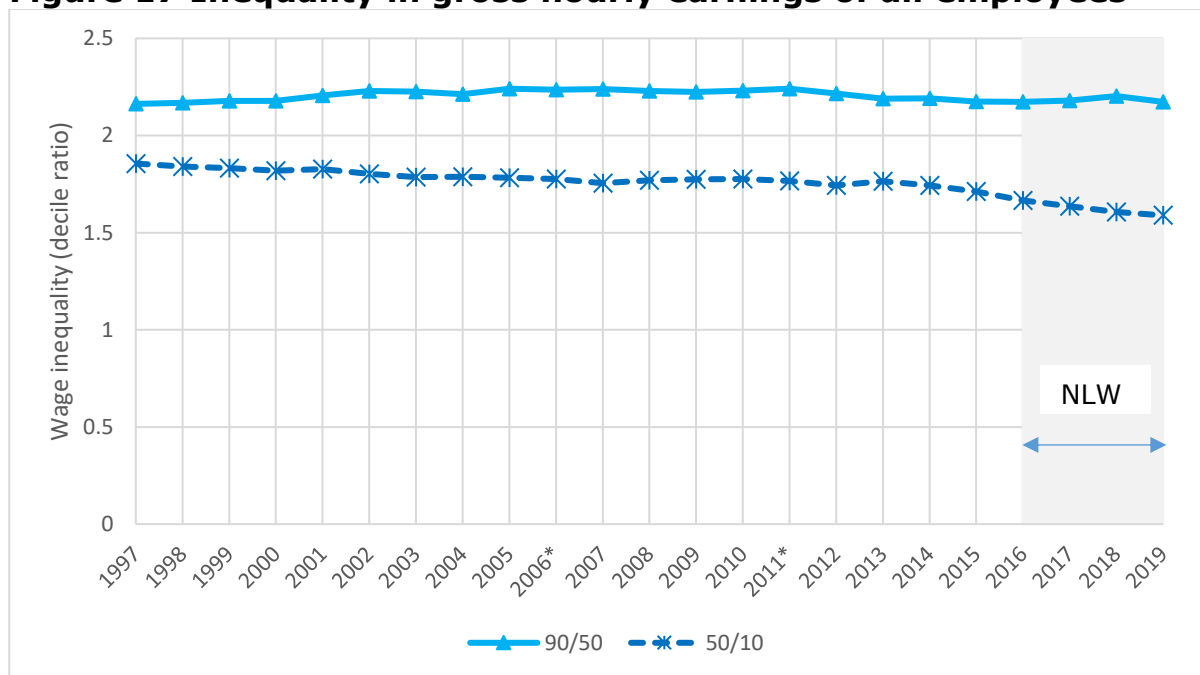
Earnings

Since the financial crisis wage growth has been sluggish, at best. For full-time employees average real gross weekly earnings increased between 2014 and 2019 but remained lower than a decade earlier. Examining average earnings by age cohorts reveals that younger cohorts have lost out the most. For these cohorts average annual earnings were lower in 2019 than they were prior to the financial crisis in 2005. A key factor is poor labour productivity performance.

Inequality in employee earnings was fairly stable from 2006 to 2015. However, after the introduction of the National Living Wage (NLW), weekly and hourly

earnings inequality fell due to higher minimum wages compressing the lower half of the distribution (the 50/10 ratio). Between 2015 and 2019, earnings inequality fell further and faster than at any time since at least the late 1970s. Although this was not an explicit policy aim, which was more to do with reducing the tax-payer subsidy to low paying employers through in-work benefits, from a distributional perspective, it is nevertheless a welcome development.

Figure 17 Inequality in gross hourly earnings of all employees



Source: Annual Survey of Hours and Earnings (ASHE) (compiled by the authors from Table 1.5a of each annual release 1997-2019) (Office for National Statistics, annual). Notes: a) Employees on adult rates, whose pay for the survey period was unaffected by absence; b) * some discontinuities in ASHE.

Regional differences

Although unemployment has fallen and employment has risen across UK constituent countries and across English regions, large regional disparities remain and there is no evidence of convergence since 2015. Although some areas have improved in relative terms, others are marked by relatively high rates of unemployment and low-wage employment (e.g. the North East of England).

Disability

The employment rate for people with disabilities has increased faster than for people without disabilities; the gap in employment rates declined from 34.5 percentage points in 2015 to 28.6 percentage points in 2019.

Ethnicity

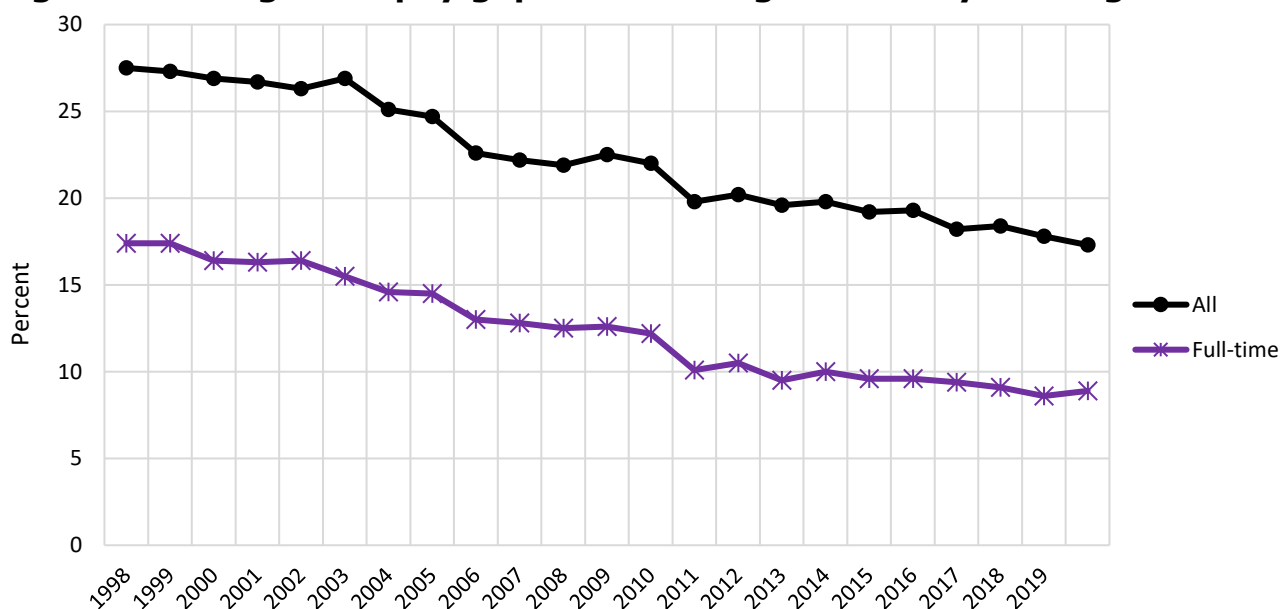
There has been a narrowing in employment gaps between minority ethnic groups and White British employees over the long-term since 2001, but employment

rates are still highest for White British employees. Employment gaps are particularly large for employees from a Pakistani or Bangladeshi background and these gaps are even greater for women. Ethnic pay gaps also persist, with most other ethnic groups receiving lower average gross hourly earnings compared to White British employees. Again employees from a Bangladeshi and Pakistani background stand out as having the largest pay gaps.

The gender pay gap

The gender pay gap has been falling over the last two decades, in part, because there has been an increase in women working full-time and in men working part-time (which tends to be lower paid). However, there has been little change in the gender pay gap in the latest year and no narrowing of the gap in recent years amongst graduates.

Figure 18 The gender pay gap for median gross hourly earnings



Source: data from Figure 1 in ONS (2019b), data from Annual Survey of Hours and Earnings (ASHE)

5.5 Conclusions and policy challenges looking forward

Policy challenges looking forward

In-work poverty

Despite increases in minimum wages and a decline in earnings inequality, in-work poverty has continued to increase, with nearly 2 million full-time employees living in poverty by 2017/18. Analysis suggests that one of the main factors driving this trend is the disproportionate increase in housing costs among the poorest households (and a decrease in the part of rent covered by housing

benefit), with fewer people managing to get on the property ladder and social and private rents continuing to increase.

Closing the gender pay gap

The gender pay gap has not been falling amongst graduates. Furthermore, whilst the gender pay gap has been closing for each consecutive generation at younger ages, the generational decline in the gap for those aged over thirty has been much smaller. Many women in this age group will have children and as a result take time out of work, switch to working part-time and face commuting constraints. The remainder of the gap may therefore be more difficult to close.

Brexit

Brexit raises a number of challenges in relation to employment. There is broad consensus that economic growth will be lower relative to if the UK remained in the EU. This has important implications for the labour market as economic growth drives employment and wage growth. The predicted fall in migration is also important for employment, though the Migration Advisory Committee (MAC) find little evidence that a reduction in competition for jobs will relieve downward pressure on wages for UK-born workers. Finally, there is concern that after Brexit, workers' rights in the UK will no longer keep pace with progress at EU level as the UK will no longer be subject to EU law, and there may even be pressure to 'water down' existing rights in order to create a business friendly environment and secure new trade deals.

Conclusions

This period has seen a number of developments in employment policy. The National Living Wage was introduced in 2016 and there have been some important legal changes: these have led to some rebalancing of power in favour of temporary workers and workers on zero-hours contracts; companies have also been required to report gender pay gaps. A ten year strategy to increase the employment rate for disabled people is also under implementation with a range of initiatives, and the Work and Health Programme replaced the Work Programme to provide joined up support across multiple health, social care and employment services for some. Universal Credit introduced in-work conditionality for the first time, with a requirement that claimants need to meet an earnings threshold. In terms of outcomes, this period has been marked by record employment levels and a reduction in earnings inequality.

However, these positive trends have taken place alongside increases in in-work poverty and sluggish earnings growth which has resulted in a lost decade of progress. There continued to be marked ethnic pay and employment gaps, and there were signs that progress on many labour market indicators was levelling off by the end of 2019. Additionally Brexit is likely to raise challenges in relation to employment, via its impact on reduced economic growth, reduced migration and potential downward pressure on workers' rights.

The state of employment policy on the eve of the COVID-19 pandemic

The Coronavirus pandemic, at a very early stage as we write this paper, is set to have a large negative impact on the economy and employment for some years to come. While announced 'rescue packages' for employers and employees will help cushion the blow, time will only tell what state the UK economy will be in as we emerge from this crisis and pay back accumulated debts. It is also clear that the impact of COVID-19 will be unequal with less support available for the growing number of people who were on zero-hours contracts and for those who were combining employment with self-employment. The risk of unemployment and the reliance on Universal Credit is also higher for those in precarious forms of employment who tend to be the least well paid.

6 Early Childhood from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes – Kitty Stewart and Mary Reader

This section of the overview report summarizes the findings of our full SPDO paper on the record of successive Conservative governments in relation to early childhood (children under five) from 2015 to the eve of the COVID-19 pandemic. The paper points to a mixed record on policies for young children and their families: while there was progress on improving childcare affordability, there was little action on childcare quality, while Sure Start children's centres continued to be squeezed and cash benefits were cut. Overall, spending on benefits and services for young children fell, and there was a shift away from spending on more disadvantaged families towards more affluent ones. By 2020 inequalities had widened in a range of early child outcomes.

- The flagship policy on early childhood during this period was the extension of free early childhood education and care (ECEC) from 15 to 30 hours a week for three- and four-year-olds with working parents, improving childcare affordability. Affordability was also helped by the implementation of the Coalition Government's tax-free childcare policy.
- At the same time there were deep cuts to Sure Start and to child-contingent cash benefits, alongside reductions in the real value of childcare support available through the benefits system, all of which are targeted towards poorer families.
- The cash freeze on working-age benefits, the two-child limit and the lowering of the benefit cap all affected the adequacy of the benefits system for families with young children, especially larger families.
- Overall spending on services grew due to the 30 hours policy, but spending on benefits and services taken together fell.
- There was an increased focus on language and vocabulary in the Early Years Foundation Stage, aimed at promoting social mobility, but no investment in the quality of early childhood education and care.
- While some children enjoyed a longer funded day in ECEC, there was a slight fall in take-up overall, and a fall in the share of children attending maintained settings, where staff are most highly qualified.
- Employment rose among mothers with a youngest child aged three or four, but rates of child poverty increased sharply.
- The disadvantage gap for reception-age children in the Early Years Foundation Stage Profile (EYFSP) had been narrowing until 2017 but increased in both 2018 and 2019.
- Social inequalities also increased in low birthweight (after narrowing to 2011) and obesity at age five.
- The infant mortality rate increased for three consecutive years from 2014 to 2017, the first time on record that it has risen for more than one year in a row. The social class gap in infant mortality rose between 2014 to 2016 but has fallen since.

6.1 Aims and goals

By the time of David Cameron's re-election in 2015, the principles of early intervention and investment in the early years were well established. But the governments of this period were also committed to cutting spending and tackling worklessness. Despite differences between the three administrations, goals in relation to early childhood policies were broadly consistent across the period. We observe:

1. **A broad commitment to improve the take-up of parental leave:** Election manifestos promised to improve the take-up of paternity leave and shared parental leave in particular.
2. **A strong focus on childcare affordability:** All three administrations emphasised the aim of making childcare more affordable and accessible, underlining the pledge to extend free childcare to 30 hours for three- and four-year-olds and to deliver on the Coalition Government's tax-free childcare policy.
3. **A commitment to reduce both child poverty and spending on cash benefits:** All three manifestos repeated these two goals. The commitment to cut benefit spending was put most starkly in 2015, with the pledge to find £12 billion of welfare savings on top of existing cuts. Increasing parental employment rates was seen as integral to tackling poverty: the 2015 manifesto promised to eliminate child poverty "by recognising the root causes of poverty: entrenched worklessness, family breakdown, problem debt, and drug and alcohol dependency".
4. **An emphasis on social mobility,** particularly under Theresa May: The 2017 manifesto promised to strengthen literacy and numeracy teaching in the early years to ensure all pupils "get the best possible start in life". May also committed to a Social Mobility Action Plan to improve the availability and take-up of high-quality early years provision by disadvantaged children.
5. **A pledge to tackle childhood obesity:** This was repeated in each manifesto, though policy commitments to provide clearer food information and reduce unhealthy ingredients were thin on detail.

6.2 Policy developments

We group policies under four broad headings, all policy areas known to be important to ensuring young children can develop to their full potential.

Parental leave

There were no changes to parental or maternity/paternity leave between 2015 and 2020 and no substantial attempts to improve take-up other than an advertising campaign in 2018. However, unlike other working-age benefits, which were frozen in cash terms, flat-rate maternity/paternity pay continued to rise with inflation.

Support for parents and parenting

Under Cameron, a Life Chances Strategy was developed which was intended to include a “significant expansion in parenting provision”, but the strategy was dropped when Cameron left office, and there was no explicit focus on parenting in later years. At the same time, Sure Start children’s centres, which had been the main vehicle for delivering support for new parents since their establishment in the early 2000s, experienced substantial funding cuts, as discussed below.

Childcare and early education

Affordability: The 2016 Childcare Act legislated for the extension of the 15-hour free entitlement in England for three- and four-year-olds in working households, offering a total of **30 hours free childcare** for 38 weeks a year from September 2017. In the same year, the Conservatives introduced the Coalition policy of **tax-free childcare** across the UK, gradually replacing employer vouchers scheme. Under the scheme, working parents earning less than £100,000 can open a tax-free childcare account online that enables them to claim back £2 for every £8 they spend on childcare, up to a maximum of £2000 per child per year (£4000 for disabled children).

There was no formal policy change to more targeted childcare support through the benefit system, but as Universal Credit was rolled out, more families became eligible for the more generous subsidy of 85% of total childcare costs (as opposed to 70% under tax credits, itself reduced from 80% in 2011), up to a maximum of £646 a month for one child and £1,108 for two or more children. However, this had affected relatively few families by the end of 2019: 59,101 families were receiving childcare support through UC as opposed to 229,000 through tax credits.

Quality: There was much more limited policy action on childcare quality. On staff qualifications, standards were loosened: the 2017 **Early Years Workforce Strategy** removed the requirement for Level 3 practitioners to have passes in GCSE English and Maths, which had been introduced after the Nutbrown Review. On the other hand, in spring 2017 the government announced **revisions to the Early Years Foundation Stage Profile (EYFSP)** to strengthen the focus on language and vocabulary development, with effect from 2021.

The new **Early Years National Funding Formula (EYNFF)**, introduced in April 2017, also had implications for quality. This changed the way resources for funded hours were allocated with the aim of redressing the 'non-level playing field' between maintained and private, voluntary and independent (PVI) providers, to make it easier for PVI providers to deliver the 30 hours policy. The new formula posed a threat to the maintained sector, which is generally considered to offer the highest quality provision, and where staff qualifications and therefore costs are higher. With maintained nursery schools facing particular financial challenges, the government agreed to introduce and then extend supplementary funding for maintained nursery schools. Theresa May's administration also introduced a £30 million **school nursery capital fund** as part of its Social Mobility Action Plan, with the intention of increasing access for children from disadvantaged backgrounds to graduate staff. Thus the capital fund sought to encourage more maintained provision even as the EYNFF removed funding from maintained settings.

Financial support for households with children

In the July 2015 budget, Cameron's government announced the **two-child limit** for tax credits and Universal Credit across the UK. For new claims and new births from April 2017, only the first two children would be recognized in a benefit claim (with a few exceptions). After a concession from then Secretary of State for Work and Pensions, Amber Rudd, the policy was amended so that it would only apply to new births from April 2017. By spring 2020 all households affected therefore had a child aged three or younger.

The Conservative administrations also implemented wider **benefit cuts** across the UK which have affected families with young children. These included the four-year freeze on working-age benefits from April 2016; the lowering of the benefit cap to £20,000 (£23,000 in London) from November 2016; and the abolition of the family element of Child Tax Credits for families with first children born after 6 April 2017.

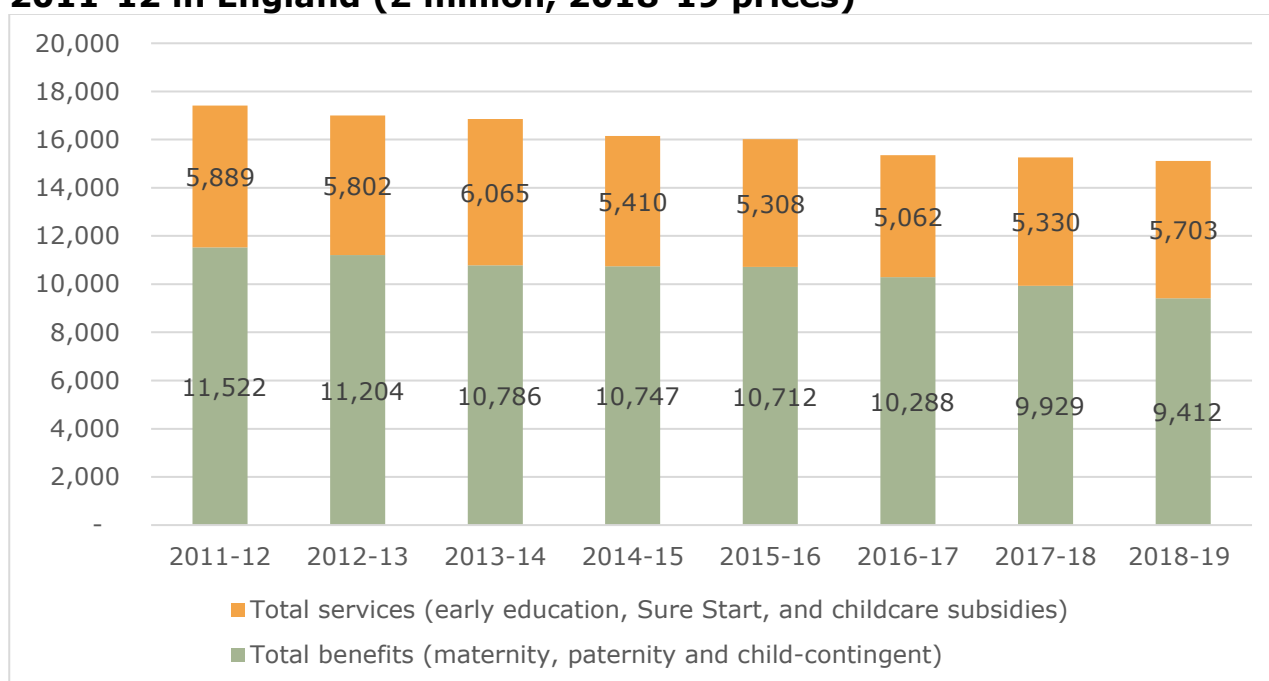
In the 2016 Welfare Reform and Work Act, the government removed all mentions of child poverty from the Child Poverty Act 2010, renamed it the Life Chances Act 2010, and **removed all four income-based child poverty indicators and their targets**. They replaced these targets with a requirement to report on measures of household worklessness and educational attainment at age 16. In 2017 the Scottish Parliament overrode these changes and reinstated child poverty targets.

The 2016 act also **increased work conditionality for responsible carers** (lone parents or main carers in couples) of children under five, reducing the age at which parents have to start attending work-focused interviews (age one), take 'active steps' to prepare for work (age two), and be available for and actively seeking work (age 3-4). Parents face sanctions if they do not meet these conditions.

6.3 Public expenditure

Total spending on services and benefits for the under-fives in England stood at just over £15 billion in 2018-19. Total spending has fallen fairly steadily since 2011-12, down by 7% in real terms in the three years of the Coalition up to 2014-15 and by a further 6% in the four subsequent years. Since 2014-15, spending on services has risen, though not yet back to the level of 2011-12, while spending on cash benefits has fallen year on year (see Figure 19). There has therefore been a slight shift in the balance of spending away from cash benefits and towards services.

Figure 19 Spending on benefits and services for the under-fives since 2011-12 in England (£ million, 2018-19 prices)



Source: Various; see notes to Tables A1 and A2 in Stewart and Reader (2020).

Spending on benefits

We include all spending on child-contingent cash benefits (such as Child Benefit and child elements of tax credits and Universal Credit) as well as maternity/paternity benefits. Spending on maternity and paternity benefits has remained stable since 2010, with a slight increase per child, suggesting higher take-up. Meanwhile, child-contingent cash benefits have seen real terms cuts every year since 2010-11, falling by 8% under the Coalition from 2010-11 to 2014-15 and by a further 12% under the Conservatives from 2014-15 to 2018-19.

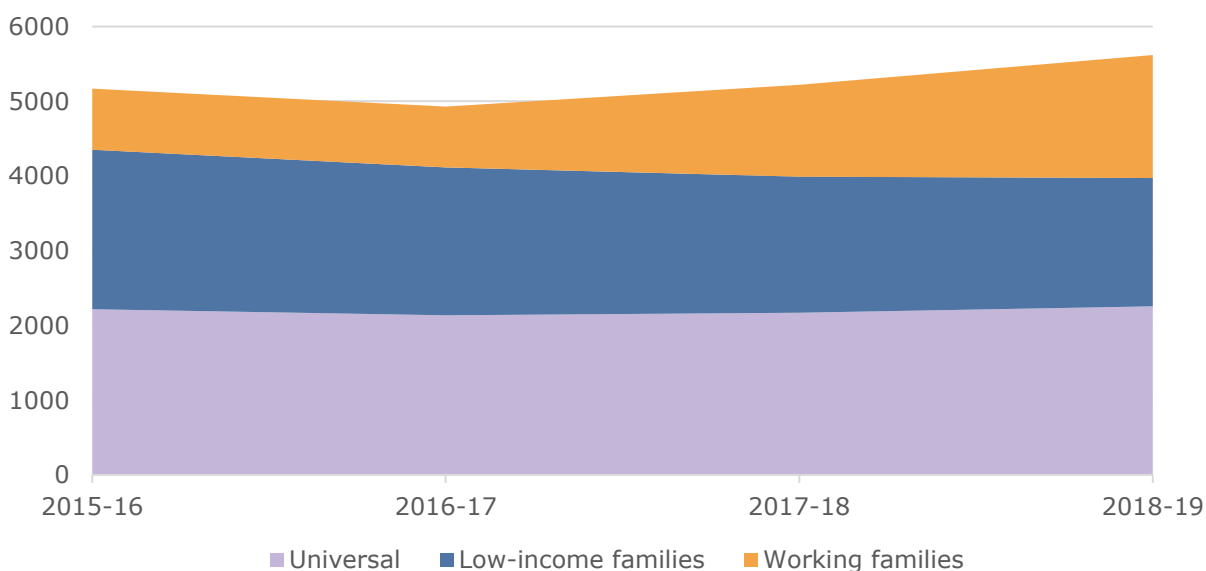
Spending on services

Our estimates of spending on services for children under five includes Sure Start, early education, and demand-side childcare subsidies (childcare support through Universal Credit or Working Tax Credits, employer childcare vouchers, and tax-free childcare). Since 2014-15, total spending on these services increased by 5% in real terms, driven by the introduction of the 30 hours policy, with a small increase also in spending on childcare support through the tax system.

At the same time, Sure Start children's centres have seen extensive cuts. From 2014-15 to 2018-19 spending on Sure Start was cut by 43%, coming on top of a cut of 48% between 2010-11 and 2014-15. Real spending on childcare subsidies provided through the benefit system has fallen by 21% as allowances have remained the same in cash terms. Funding rates for the Early Years Pupil Premium – introduced under the Coalition Government in 2015 to provide increased early education funding for disadvantaged three- and four-year-olds – have also remained stable in cash terms, translating into an 8% real-terms cut since 2016-17 (no consistent earlier data are available).

These developments add up to a shift in spending away from universal and low-income support towards greater support for working families, within the overall profile of spending on early years services, as shown in Figure 20).

Figure 20 Distribution of spending on services for the under-fives, by income/employment targeting mechanism, 2015-16 to 2018-19 (£ million, 2018-19 prices)



Notes: Universal spending includes the 15 hour entitlement, supplementary funding for maintained nursery schools and the Disability Access Fund (DAF). Low-income families includes the two-year-old entitlement for disadvantaged children, childcare support through the benefit system, the Early Years Pupil Premium (EYPP), and Sure Start. Working families includes the additional 15 hour entitlement, employer childcare vouchers and tax-free childcare.

6.4 Outcomes

A small fall in take-up of paternity leave

The number of women taking maternity leave increased between 2014-15 and 2019-20, but the number of men taking paternity leave fell slightly. In 2018-19, 31% of eligible new fathers took up their statutory two-week paternity leave, down from 34% in 2014-15.

A squeeze on Sure Start children's centres

The number of Sure Start children's centres continued to fall from 2015. There were 3050 children's centres in 2019, 240 fewer than in 2015 and 570 fewer than in 2010. While in some cases, centres merged rather than closed entirely, the overall number masks reductions in services, opening hours and staff and a reliance on external funding. In some cases centres were incorporated into packages of early help with a wider age range, 0-19 or even 0-25. Action for Children suggests that there was an 18% fall in the number of young children using children's centres since 2014-15 and 2017-18, with larger falls in more deprived areas, despite closures being concentrated in more affluent areas. Centres have also moved towards greater separation between open-access and targeted services for disadvantaged children, posing risks for social cohesion.

Increases in childcare affordability and in maternal employment

The 30 hours free childcare policy made a positive difference to the affordability of provision for parents of three- and four-year-olds: more than three-quarters of parents using the policy in 2018 said they had more money to spend as a result. There were also increases in maternal employment: between 2015 and 2019 the share of mothers with a youngest child aged three or four who were working rose from 61% to 70%, after years with very little change. The biggest jump was from 2017, when both the 30 hours policy and increased conditionality were introduced. The increase is observed for both lone parents and mothers in couples, and is not seen for mothers of children aged 0-2.

But a fall in overall take-up of early education places

While roughly one-third of three- and four-year-olds accessed a longer funded day under the 30 hours policy, overall take-up of universal free early education places fell between 2015 and 2020, down from 93% to 91% of three-year-olds and from 97% to 94% of four-year-olds. One clue as to why comes from provider survey evidence, which suggests some providers have prioritised access for children who are eligible for 30 hours, as it may be more cost-effective to cater for one child for a full day than two children for half a day each. In addition, some local authorities were already providing more than 15 hours of free hours before the 30 hours policy, but targeted based on needs rather than parental working patterns; there is evidence that this provision has been cut to prioritise delivery of the new policy.

For two-year-olds, take-up of targeted free places is much lower than for the universal offer. After a big increase from 58% in 2015 to 72% in 2017, take-up fell slightly to 69% in 2020. There is significant regional variation in take-up of the two-year-old offer, and some local authorities report that the 30 hours policy has made it harder to deliver two-year-old places.

And a falling share of children attending maintained nursery settings

There has been a steady increase in the share of two-year-olds taking up a place in a maintained nursery school or nursery class, reaching 13% in 2019, but the share has fallen for three- and four-year-olds. For two- to four-year-olds overall, there were about 5% fewer children in maintained places in 2019 compared to 2015. Analysis up to 2016 points to a much greater fall for children who go on to access free school meals than for their higher income peers. Further research is needed to investigate the drivers of this trend.

A mixed story on quality of early education and childcare

Ofsted ratings show increases in the proportion of settings that are rated good or outstanding for two- to four-year-olds between 2015 and 2019. There have also been increases in this period in the share of children who attend settings where a qualified graduate (a qualified teacher, Early Years Teacher or Early Years Professional) works directly with the children. However, the share of children attending PVI settings with a graduate with qualified teacher status (QTS), which is the strongest of the graduate qualifications, has not changed. Further, the decline in the maintained sector means that the share of children overall attending settings with a QTS has fallen very slightly from 55% to 54%. As the fall in enrolment in the maintained sector appears to be concentrated among lower income children, these children will also be the most likely to have lost access to teachers.

Falls in the adequacy of the safety net for children and families

Welfare reforms – including the two-child limit, benefit cap and wider benefit cuts – have resulted in large reductions in the value of the minimum safety net as a share of the poverty line for families with children. This is particularly the case for larger families and for those with a baby. For an out-of-work couple with three children including a baby born after 1 April 2017 (and therefore subject to the two-child limit), the value of financial support fell from 88% of the poverty line in 2013-14 to 67% in 2017-18.

Rising child poverty for families with children under five

Despite rising rates of employment, including maternal employment, relative child poverty (both before and after housing costs) has increased sharply since 2013-14 for children in households with a child under five, particularly if they have a toddler or baby aged 0-1. Anchored child poverty (both before and after housing costs) for households with children under five was falling dramatically until 2010, but has since stagnated in the case of households with a youngest

child aged 2-4, and either stagnated or risen slightly for households with a baby or toddler. Most of the rise in relative poverty is driven by trends for households where no adult is in paid work, but poverty has also risen in working households, particularly those where parents work part-time or where one works full-time and one part-time or not at all.

Widening gaps in some indicators of early child development

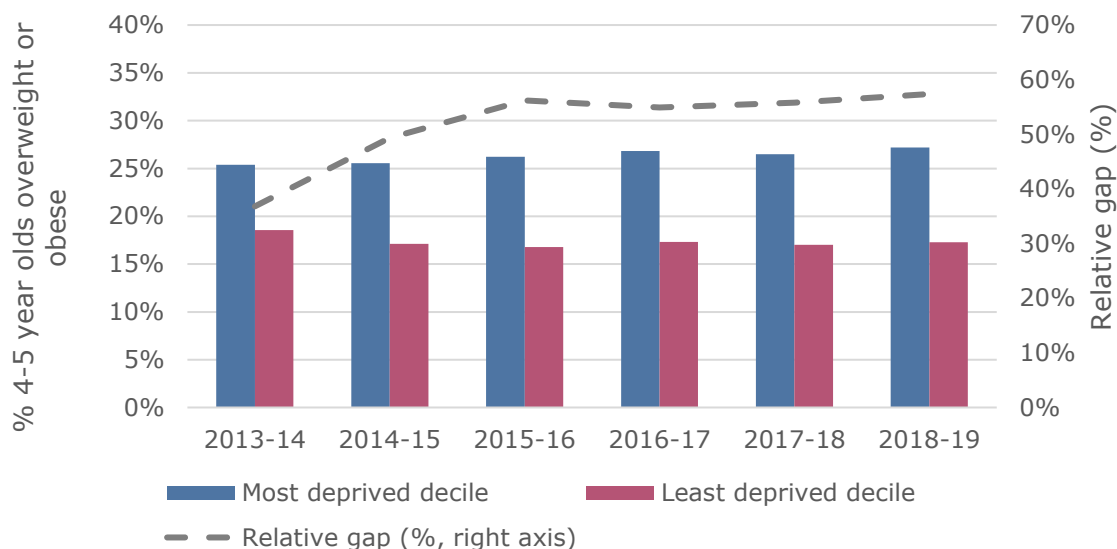
Between 2015 and 2018 the share of babies born at low birthweight fell in families from professional or managerial social classes and increased for those from routine or manual occupations, so the social class gap increased. This continued a trend starting in 2011, after several years in which the gap narrowed.

After years of steady reductions, the overall infant mortality rate rose for three years in a row from 2014 to 2017 – the first such persistent rise on record. Since the rise was more pronounced for lower SES mothers, the infant mortality gap widened from 2014 to 2016, although it has since narrowed again. The gap in 2018 was lower than in 2015, but this is driven in part by worsening outcomes for higher SES babies (particularly for low birthweight babies).

Little progress was made on tackling childhood obesity, despite this being a policy goal. The proportion of children aged 4-5 who are overweight or obese has remained steady at around 22-23% since 2013-14. The social class gap in obesity has also been fairly stable since 2015-16, after a sharp increase between 2013-14 and 2015-16 (see Figure 21).

The share of children assessed by teachers as reaching a 'Good Level of Development' in the Early Years Foundation Stage Profile continued to improve from 2015, though at a slowing rate. But among children registered for free school meals, the rate barely increased between 2017 and 2019, leading to a widening gap between these children and others. This follows a decade in which this gap had narrowed steadily.

Figure 21 Percentage of children aged 4-5 overweight or obese by deprivation level in England, 2013-14 to 2018-19



Source: NHS Digital (2020) National Child Measurement Programme (NCMP), 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 tables.

6.5 Conclusions and policy challenges looking forward

Overall reflections

One stand-out policy for the under fives was introduced by the Conservative administrations 2015-2020 – the extension of free childcare for three- and four-year-olds of working parents to 30 hours. This policy improved the affordability of childcare and appears to have increased employment for mothers with young children. But in most other regards young children experienced cuts to both services and family benefits during this period. Sure Start children's centres, the value of childcare support targeted at more disadvantaged families, and cash benefits were all squeezed. Overall, spending on the under fives fell, and there was also a shift in spending priorities within the early years budget, towards affordable childcare for working parents and away from policies focused on early child development and on ensuring a more equal start for children from all backgrounds.

These cuts came on top of those implemented under the Coalition Government 2010-2015. The impact of a decade of cumulative cuts is starting to show up, not only in sharp rises in child poverty from 2013-14 onwards, but also in indicators of child health and development. Gaps have started to grow between more and less disadvantaged children in measures of child development at age five, low birthweight and childhood obesity. Infant mortality rose each year between 2017 and 2019.

Policy challenges for the 2020s

Significant policy challenges lie ahead. The increased affordability of childcare is a very positive step forward given high childcare costs in the UK in comparative perspective. But there has been no investment in the quality of provision, alongside indications that access both to any early education, and to the highest quality provision, may be falling for more disadvantaged children. Further stringent cuts to Sure Start have also squeezed provision for the very youngest, as well as reducing access to parenting support. All of this must be expected to contribute to further increases in inequalities in early child development in the future.

In addition to the immediate implications for children's lives and wellbeing, increased poverty and growing inequalities in early child health and development lay the foundations for widening disparities in later attainment, and for a less healthy, well-educated and resilient adult population. While other European countries emphasise the importance of social investment, the 2010s in the UK have been the opposite – a decade of disinvestment in the country's youngest citizens and its future parents and workers.

Strengths and weaknesses on the eve of the COVID-19 pandemic

The pandemic presented substantial challenges to early education and childcare settings, given the initial full lockdown and ongoing repercussions for parental employment and wages. The impact on the sector may have been greater because of a squeeze on the profitability or viability of some childcare settings due to changes to the national funding formula and the need to deliver the 30 hours, which reduced the ability of settings to cross-subsidise from parental fees. On the other hand, the 30 hours policy may have provided a more secure income to settings even through closure. Nonetheless, it is likely that some childcare providers will not survive.

The lockdown meant more young children spending more time at home, making the consequences of increased income poverty even more severe. The Coalition Government, and to some extent the Conservative administrations too, emphasized the idea that social mobility could be promoted through the provision of services, with household financial circumstances of little consequence. The lockdown closure has emphasized how flawed this strategy was.

This is particularly true given that after seven years of cuts the social security system was not well placed to provide an adequate safety net for families through hard times. While the £20 temporary addition to Universal Credit helped many households during 2020, there were no increases in child benefit or the child elements of UC, and no scrapping of either the two-child limit or the benefit cap: indeed the benefit cap will have ensured that some families did not receive the full £20 boost. As a result, the pandemic's impact on child poverty is likely to be much greater than it needed to be.

7 Compulsory Education from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes – Ruth Lupton and Polina Obolenskaya

The Conservative government elected in 2015 aimed to raise educational standards and complete the transformation to an autonomous school system initiated by its predecessor. It set out ambitions for greater social mobility through education. We found that:

- Total spending on schools remained broadly stable as pupil numbers grew, so per-pupil funding declined. Post-16 spending declined more. Funding for pupils with special educational needs could not keep up with demand.
- The system came under increasing strain, with rising pupil-teacher ratios, and unmet need for investment in school buildings.
- Although according to Ofsted judgement, the quality of schools overall improved slightly, there are doubts about reliability of such data, and a large socio-economic gradient remained.
- 'T' levels were introduced, but apprenticeship starts declined by more than a fifth. University Technical Colleges struggled.
- 'Standards' also increased slightly, but there was no real narrowing in disadvantage gaps. Disadvantaged young people became less likely to achieve Level 2 by age 19.
- Particularly worrying trends for attainment among some ethnic groups and young people with additional needs.
- There was increasing evidence of exclusion and marginalisation of more vulnerable students.

By the end of 2019, political consensus on education had been lost, with opposition parties arguing for broader curriculum, fewer tests and a less competitive and more inclusive system. The COVID-19 crisis which pitched children out of schools and examinations has further added to the sense that a new 'great debate' on education is now needed.

7.1 Aims and goals

The Conservative agenda for this period, set out in the 2015 election manifesto, was essentially one of continuity: extending and embedding the wide-ranging changes started under the Coalition. The same themes of higher standards, discipline and rigour, combined with parental choice and school autonomy, were very much in evidence in a manifesto that pledged to drive up school standards, protect school funding and make it fairer, turn failing and 'coasting' schools into academies, provide more free schools, 'back teachers' over discipline and lead the world in maths and science. Issues with teacher recruitment and retention were recognised in commitments to a range of initiatives on workload, pay and professional development. The Pupil Premium was to be retained to provide

extra funding to schools so that children from poorer backgrounds could have the chance to fulfil their potential. In the post-16 phase, qualifications reform was to continue with more reductions in lower level vocational courses, replacing these with high quality apprenticeships, with further commitments to technical education through the expansion of the programme of University Technical Colleges.

For a short period in 2016 and 2017, while Justine Greening was Secretary of State, social mobility was at the centre of departmental plans, with a stronger focus on addressing disadvantage gaps, expanding high quality post-16 choices, improving careers advice and guidance and supporting school improvement in the most 'challenging' areas. Post-Greening, Conservative education plans for 2018, 2019 and beyond adopted the more familiar focus on the continuing reform of the school system to create 'more great schools', teacher recruitment and retention, and improving technical education, although 'equality of opportunity' and a 'a fair chance' for every child were at the heart of the education sections of Boris Johnson's 2019 manifesto. After the major shake-up of the education system under Michael Gove from 2010 to 2015, this was essentially a period of implementation and roll-out, rather than of new policy development.

7.2 Policy developments

School and College System Reform

The programme of 'Academisation' of England's state school system continued. The 2016 Education and Adoptions Act gave new powers to intervene in 'failing' schools and brought 'coasting' schools under scope for intervention. New free schools continued to be set up, now as the main way to meet demand for new school places. By 2019, 75% of secondary schools and 32% of primaries were Academies (up from 57% and 11% in 2014). At the same time, various structures and programmes were introduced to strengthen the management of an increasingly fragmented system and to fill in some of the gaps and inconsistencies that had emerged as schools operated increasingly autonomously. These included strengthening the role of Regional Schools Commissioners, a new Strategic School Improvement Fund, and a network of maths and English Hubs and a new Careers Strategy. 37 'area reviews' were undertaken to rationalise post-16 provision, including providing the opportunity for sixth form colleges (SFCs) to become Academies. As a result, the number of further education colleges was reduced by around a fifth and SFCs by two-fifths.

Funding Reform

A new 'national funding formula' for schools – designed to be simpler and fairer – was implemented from April 2018, albeit with a transition period until 2021 which means that its full effects cannot yet be seen. Funding reform also took place in the post-16 phase. The Education Funding Agency (EFA) and the Skills Funding Agency (SFA) were merged, bringing all post-16 funding under

one umbrella, and the system for funding apprenticeships was also overhauled with the introduction of an employer levy.

Curriculum, Assessment and Accountability

Children and young people in this period experienced multiple changes to curriculum content and examinations – e.g. new Key Stage 2 SATS in 2016, and new GCSEs, AS and A levels. However, these were changes instigated by previous reforms. The main new additions in the school system were new accountability measures which raised the bar and focused more narrowly: 'progress 8'; a new headline measure just of English and maths; and an uprating of the definition of a good pass at GCSE from grade 4 or grade 5. The post-16 system saw continued reduction in numbers of vocational qualifications, and the introduction of 'T' levels: technical equivalents to 'A' levels.

Teacher Recruitment, Retention and Development

Growing concerns about teacher supply shortages were met by various specific programmes and incentives and in 2019 by a new Teacher Recruitment and Retention Strategy, including a new Early Career Framework. Teacher pay also saw two above average uplifts in 2018 and 2019, although the School Teachers' Review Body thought these insufficient to tackle a worsening recruitment and retention situation. A multi-pronged action plan to reduce teacher workload was initiated from 2016.

Inequalities and Distribution

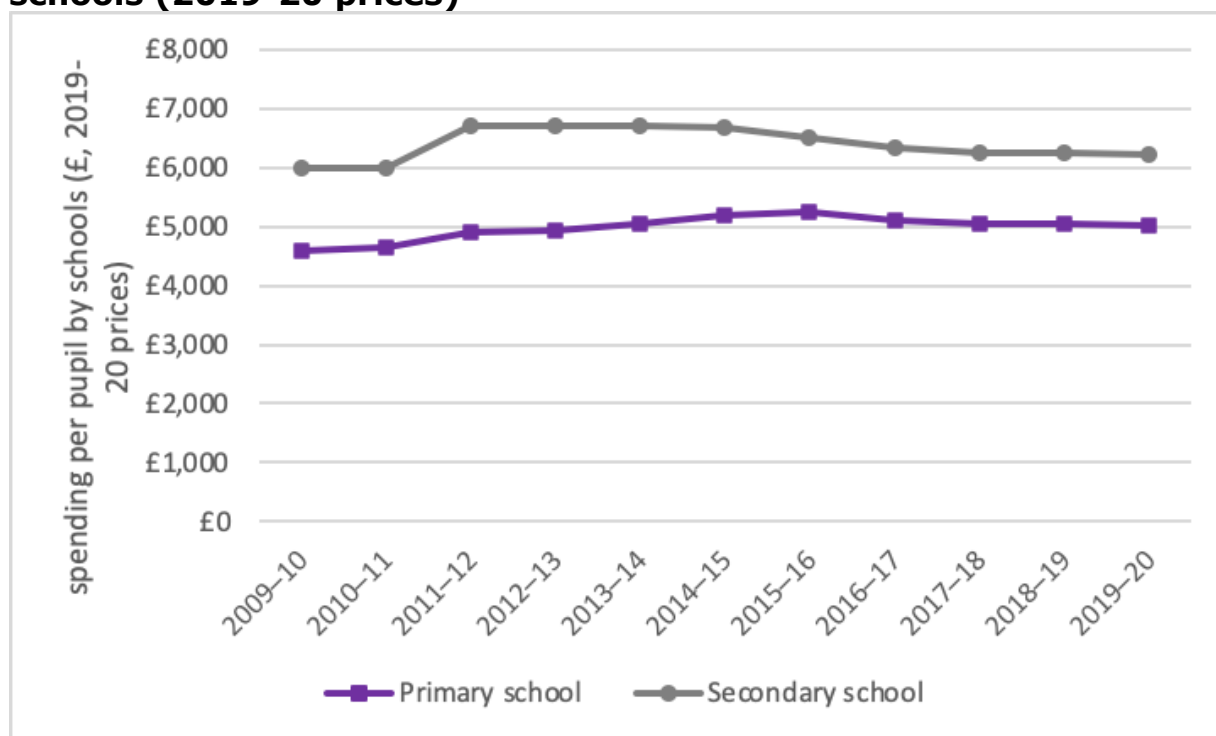
The Conservatives primarily articulated their goals in respect of educational inequalities in terms of a commitment to equality of opportunity, to be achieved by raising the standard of education across the board along with the Pupil Premium to help schools raise attainment for students from disadvantaged backgrounds. 12 'Opportunity Areas' were established in 'social mobility coldspots'. A new vision for alternative provision (AP) was set out, along with £4 million Alternative Provision Innovation Fund and a new wave of commissioning free school provision. Major reforms to the special educational needs and disabilities (SEND) system, introduced in 2014, were implemented in this period, topped up from 2018 with expanded provision, and new SEND training hubs. In the face of increasing evidence that the system was both failing and financially unsustainable, a wider-ranging review was announced in 2019. Action on other axes of inequality (gender and ethnicity) did not figure prominently in the 2015-2019 period.

7.3 Public expenditure

School spending, which had been relatively protected in the Coalition's spending cuts from 2010 to 2015, became a major point of public debate during this period, leading to pledges from all major parties to increase it, at the 2019 election.

There was virtually no change in real terms expenditure on under 16s school education 2014-15 and 2018-19 and a rise in pupil numbers meant that per pupil spending fell over the same period (Figure 22). In September 2019, the government pledged an additional £4.3bn, sufficient to reverse the decline since 2010, but only just. Capital spending on schools remained broadly constant in this period (around £5.1bn in each year), but with an increasing share going to the building of new (Free) schools.

Figure 22 Spending by schools per pupil in primary and secondary schools (2019-20 prices)



Source: Figure reproduced from Figure 3.2 in IFS report (Britton, Farquharson and Sibieta, 2019)

Spending on post-16 education had been falling pre-2015 while school funding was protected, and fell further between 2014-15 and 2018-19 - from £4.26bn to £3.70bn in further education and sixth form colleges (a 13% fall), and from £2.47bn to £2.03bn in school sixth forms (18%). Despite declining student numbers, this led to a fall in per-student funding, particularly sharp for sixth forms (from £5,408 per head to £4,993, compared with a drop from £6,138 to £5,870 for FE colleges). An additional £400m was pledged in September 2019, - an amount insufficient to keep up with the anticipated rise in student numbers.

7.4 Outcomes

A System Under Strain

With rising pupil numbers, rising needs and static (schools) or falling (post-16) spending, the system came under increasing strain. The teacher supply situation deteriorated slightly, with a slight fall in teacher numbers, and a rise in pupil:teacher ratios. In secondary schools the ratio of pupils to teachers rose from 15.0 in 2014 to 16.3 in 2018, and in primary from 20.3 to 20.9. The number of teacher vacancies also rose.

Evidence on teacher workload is mixed, with the government's own survey reporting a reduction in workload, but an OECD survey showing an increase. Both show a continuing problem, with high workloads by international comparison. Nearly 90% of secondary teachers in the government's Teacher Workload Survey reported that workload was a problem in their schools. Despite a focus on discipline, the proportion of teachers believing there is a widespread behaviour problem in their schools rose from 37% to 56%, according to an NASUWT survey.

The government's apprenticeship reforms failed to increase the opportunities available. In fact they had the opposite effect. Apprenticeship starts for under 19s fell by 22% from 125,851 in 2014/15 to 97,697 in 2018/19 overall. And the new special educational needs system introduced by the Coalition ran into increasing trouble, with long waiting lists for assessment, serious gaps in therapy provision, and too few high needs places. The National Audit Office (NAO) declared the system financially unsustainable.

Meanwhile, given the ageing of the school estate and relatively low capital spending in the last decade, NAO also estimated a need for increased capital spending of c £13bn to bring school buildings up to a satisfactory or good standard.

Slight Improvements in Quality and Outcomes Overall

One of the government's key claims to success was an improvement in the quality of schools. In 2015, 82% of schools were deemed good/outstanding, increasing to 86% by 2019, but also a slight increase in the proportion of schools judged inadequate from 3% to 4%. However, there are reasons to be circumspect in drawing implications from this data due to changes in the inspection framework but also due to reduced frequency of inspections for some schools. New Free Schools seemed to match the overall profile of quality in the existing system but there were problems with quality and (sustainability) for University Technical Colleges and alternative provision.

Multiple changes to assessment and measures make it hard to establish trends in educational outcomes. In most cases, only the period from 2016 is comparable. Results showed slight improvement on most measures, particularly at the end of primary school and particularly in maths. In the OECD's PISA tests of 15 year olds, England's average maths score also increased between 2015 and 2018.

Persistent Inequalities and a Worsening Situation for the Most Vulnerable

Beneath these overall trends, very little impact was made on reducing inequalities - in spending, access, experiences or outcomes- and there was increasing evidence of things getting worse for some of the most vulnerable children and young people.

On attainment gaps, the disadvantage gap measured in months of learning at the end of primary school changed very little since 2015, according to EPI's measure, and there are worrying signs its worsening in 2019. DfE's analysis shows an improvement, albeit very modest, between 2016 and 2019 in the proportion of 'disadvantaged' pupils achieving the expected level relative to all others. At 16, progress stalled and on some measures the gap increased. At 19, there was an overall decrease in the proportion of young people achieving Level 2, principally due to a worsening of the situation for young people eligible for Free School Meals, from disadvantaged areas, and with special educational needs. Since 2015 there has been a 25% increase in FSM-eligible young people leaving education at age 19 without having achieved Level 2.

Exclusions from school rose, after being on a steady downward trend. In state-funded secondary schools, the rate of fixed period exclusion rose from 6.6% of the school population in 2013/14 to 10.1% in 2017/18. Permanent exclusions rose from 0.06% of the school population to 0.10%. The increase in exclusions has been disproportionately experienced by more disadvantaged groups. There were increasing concerns about schools 'off-rolling' students who would not contribute well to league tables, and the number of home-educated children doubled, with one-fifth of these having special educational needs.

The system itself also showed signs of becoming more unequal, not just in relation to exclusions and additional needs, but more broadly. The pronounced gradient in school quality got slightly steeper as the proportion of the children attending good/outstanding schools increased slightly more in the least deprived areas compared to most deprived, and the new national funding formula is expected to distribute money away from schools with the highest levels of disadvantage. These trends do not inspire confidence that the system is becoming any better equipped to equalise opportunities or increase social mobility.

7.5 Conclusions and policy challenges looking forward

Education on the Eve of the Pandemic

The Conservative government elected in 2015 essentially pursued policies of continuity, bedding down and extending the major reforms initiated in 2010 by the Coalition government. These efforts resulted in, at best, a modest improvement in standards and quality. However, as pupil numbers and needs rose, while funding was static or (in the post-16 phase) falling, the system was increasingly under strain, evidenced in teacher shortages, rising pupil-teacher

ratios and difficulties meeting additional needs. There was no real evidence that the efforts put into remodelling the system were substantially improving it.

Moreover, despite a rhetoric of social mobility, little if any impact had been made on inequalities and in fact there was increasing evidence of the most vulnerable children and young people missing out in a system geared to increasing performance and competition. The new funding formula seemed to signal a shift of resources away from areas of highest need, offsetting to some extent the redistributive effect of the Pupil Premium, while reforms in the post-16 phase mainly focused on higher attainers who could go on to the technical equivalent of 'A' Levels, leaving huge challenges for lower attainers.

Future Policy Challenges

This left the new government elected in December 2019 with many of the same challenges that its predecessor had faced, including, but not limited to:

- Continuing to address quality and accountability issues in the autonomous school system.
- Tackling failures in system reform: particularly the SEND system and University Technical Colleges.
- Teacher retention and recruitment.
- High and sustained disadvantage gaps
- Particularly acute problems in some ethnic groups, and for young people with additional needs
- Growing problems with the quality of the school estate, given limited capital investment in recent years.
- Successful post-16 transition for young people with lower GCSE attainment who will not be able to access T-levels immediately, including creating many more high quality apprenticeships.

Perhaps more importantly, it was evident that after nine years of Conservative reform, political consensus on education had been lost. While the 2019 Conservative manifesto stuck to the current agenda, opposition parties arguing for broader curriculum, fewer tests and a less competitive and more inclusive system.

COVID-19 Challenges and Opportunities

The COVID-19 crisis presents both short and longer term challenges to the education system. In the short term these have included the shift to online learning; keeping schools open for the children of key workers; and re-opening them safely for all young people, as well as the key issue of qualifications and transitions in the absence of examinations. The distributional effects of the 2020 no-exam year remain to be seen. Longer term, the education system will resume not just facing the issue of how to remedy 'lost learning' and the inequalities therein, but needing to respond to the economic, social and emotional impacts of the crisis. The economic fallout will also present wider threats to ongoing government spending, as well as the challenge of responding to increasing

hardship and inequalities in family circumstances. This will test a system currently making little progress with addressing disadvantage gaps and moving in the direction of increasing exclusion and marginalisation of some of the most vulnerable learners, with a less progressive funding formula.

However, the pandemic may also have broader policy effects, including re-thinking of how education can (and cannot) be supported at home through technological solutions; highlighting inequality, vulnerability and support needs; and possibly causing some re-valuing of teachers and other education and care professionals. On the other hand, history suggests it may help with teacher recruitment and retention as the appeal of secure employment is increased. Most fundamentally, in creating a temporary 'test-free zone', COVID-19 may lead to resolution, one way or another, of the debate about whether all of England's extensive testing apparatus is really needed and justified given its social and educational costs. The need for a new 'great debate' about what education is for, and how it should be organised, was already beginning to be signalled. COVID-19 may well be the trigger for this debate finally to happen.

8 Higher Education from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes – Abigail McKnight and Polina Obolenskaya

Since taking office in 2015 Conservative Governments have been committed to increasing participation in higher education; widening participation; reforming HE architecture in England and ensuring UK universities remain world leading. Since 2015 there have been a number of policy developments, and some positive higher education trends, though with significant ongoing challenges.

- Key policy changes in England (this area of policy is devolved) include the removal of the cap on Higher Education (HE) student numbers, changing HE architecture including the new Office for Students (OfS) and UK Research and Innovation, the introduction of a teaching quality framework and a simplified single route into the sector for new providers.
- Annual government spending on HE in England, in real terms, remained stable at around £11 billion with the vast majority spent on subsidising student loans. Following a review by the Office for National Statistics in 2018, the projected economic subsidy on new student loans is counted towards annual public expenditure.
- More young people attend university than in the past and there is some evidence of a slight narrowing in the socio-economic gap in England.
- The growing use of unconditional offers is causing concerns with their link to poorer A-level performance, higher rates of drop-out, greater use by lower tariff universities and among applicants from less advantaged areas.
- Large increases in the share of first class degree awards risks reputational damage. Their use is much lower for some ethnic minority groups.
- On average, graduates relative to non-graduates have continued to remain at an advantage in the labour market (employment, high skill jobs and average earnings).
- Beneath average rates of return, lies considerable variation and a significant share for whom, it is estimated, would have been financially better-off had they not attended university. While demand stays high, the current system creates no disincentive for providers to offer low value courses as the cost of education for students with low lifetime earnings is borne by tax-payers. The impact of the pandemic on the labour market is likely to bring this issue into sharper relief.

8.1 Aims and goals

As Higher education is a devolved area of policy, the aims and goals of the government largely relate to England. Of the three Conservative party general election manifestos between 2015 and 2019, the 2015 manifesto sets out the most substantial set of higher education goals. The two overarching goals were: 1) to ensure that anyone can go to university if they want to, and 2) to ensure that UK universities remain world leading. In relation to the first goal, the Conservative party pledged to continue with the policy first announced under the Coalition government in 2013 to remove the cap on university places in England from 2015/16, with the exception of a small number of high-cost subjects which are subsidised (such as medicine). To meet these goals the manifesto contained a number of commitments which included the introduction of a teaching quality framework, to encourage the development of online education and 2-year degree courses, to require more data to be openly available to prospective students, to introduce a national postgraduate loan system for taught Masters and PhD courses and to use the findings from the Nurse Review to help maintain the UK's world class research reputation and academic excellence.

The 2017 manifesto contained very little mention of higher education. However, it did include a proposal to launch a major review into funding across tertiary education and a goal to try and replicate the success of US universities in benefiting from the commercial success of their research through the use of specially designed investment funds.

The 2019 manifesto was also light on higher education goals. It included a commitment to consider carefully the recommendations from the review of tertiary education funding and provision proposed in the 2017 manifesto, which had subsequently been led by Philip Augar and published in May 2019. In particular, a commitment was made to consider recommendations made to reduce higher education tuition fee levels and make changes to the charging of interest on student loans. Further commitments were made to explore ways to tackle grade inflation, low quality higher education courses and to improve the application and offer system for prospective undergraduate students.

8.2 Policy developments

A Green Paper, *Fulfilling our Potential: Teaching Excellence, Social Mobility and Student Choice*, was published in 2015, followed by a White Paper in 2016 *Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice*, leading to The Higher Education and Research Act 2017. The main higher education policy changes that followed are:

HE architecture

From 2018/19 the introduction of a new non-departmental public body, the Office for Students (OfS), responsible for regulating HE in England. OfS combined the existing regulatory functions of the, now dissolved, Higher Education Funding Council for England (HEFCE) and the Office for Fair Access

(OFFA), which merged with OfS. This change reflected the new funding model in England and a shift from a quality assessment process to risk-based regulation.

Following recommendations in the Nurse Review, the introduction in 2018 of a single non-departmental public body to oversee research funding and administration. UK Research and Innovation (UKRI) brought together the seven existing UK research councils with Innovate UK and Research England (which undertakes the England only functions in relation to research and knowledge exchange that were previously performed by HEFCE).

Competition

A simplified, single route into the HE sector for new providers operated by OfS. This was designed to provide quicker entry and the ability for new providers to award their own degrees. The aim was to increase provision and choice.

Widening participation, teaching quality and student choice

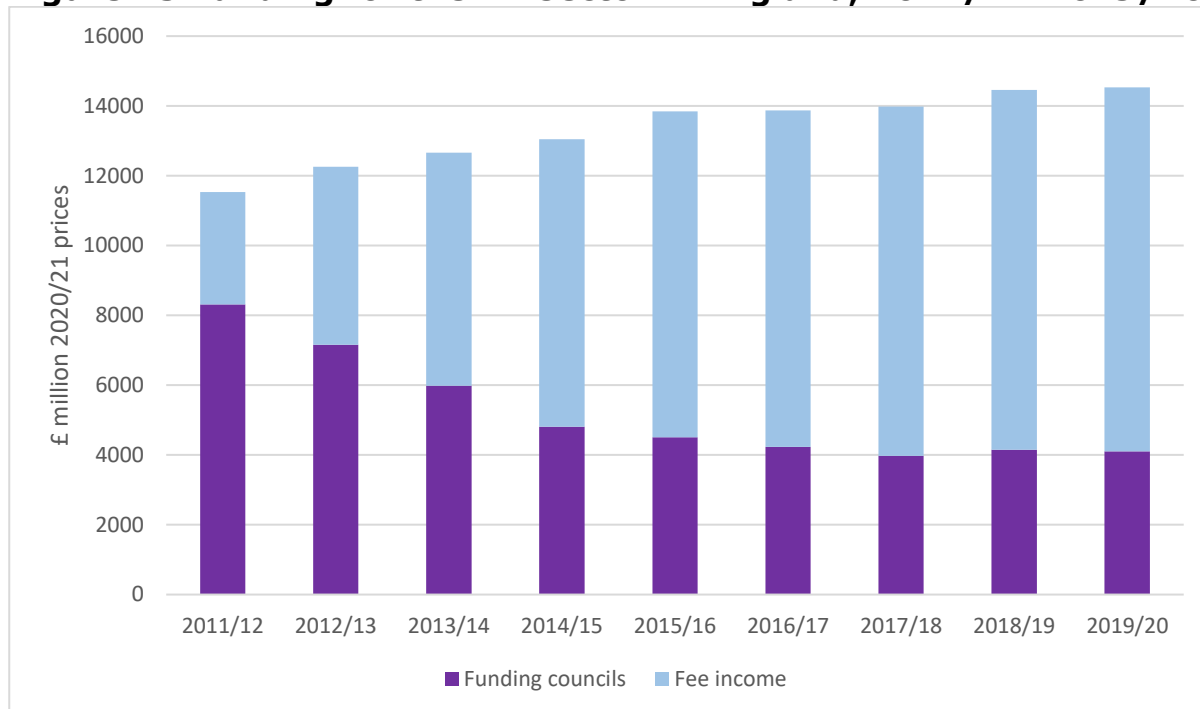
The OfS remit includes widening participation and fair access. A new statutory duty was introduced to cover equality of opportunity across the whole lifecycle (access, retention, progress through HE and employment outcomes) while previously the focus was on access only.

Adopted by OfS in 2018, the Teaching Excellence and Student Outcomes Framework (TEF) was introduced to provide prospective students with provider level assessment of teaching quality, learning environment, student outcomes and learning gain. After some initial piloting and voluntary participation, since 2020 the TEF is a requirement for all but the smallest providers in England. In 2019 Dame Shirley Pearce conducted an independent review of TEF, and made a number of recommendations for improvement.

8.3 Public expenditure

Following the increase in undergraduate annual tuition fees to £9,000 in England from 2012 (subsequently raised to £9,250 in 2017), government spending on higher education and university funding was transformed. While previously the main source of funding came from teaching grants, distributed by the Higher Education Funding Council for England (HEFCE), tuition fee income became the predominate source of funding with teaching grants available for only a small number of high cost degree courses (such as medicine). This shift between 2011 and 2020 is shown in Figure 23. In the first half of this decade, it led to real terms increases in HE funding in England of around £2.31bn in real terms. In the second half of the decade the increase was a more modest £656m. Teaching resources per student in England to cover three years of full-time study have declined since 2015 in real-terms due to falls in the value of tuition fees (the cap has been held constant in nominal terms) and government teaching grants (Britton et al., 2020). However, they are still high by historical standards.

Figure 23 Funding for the HE sector in England, 2011/12-2019/20



Source: Bolton (2021)

Calculating what these changes mean in terms of government spending is not straightforward. This is because students pay tuition fees and cover the cost of their maintenance through the government provision of income-contingent loans (administered by the Student Loan Company). After graduating, and when earnings exceed a pre-determined threshold (currently set at £25,000 per annum), graduates start paying back these loans as a percentage of their earnings above this threshold (currently 9%). After a defined number of years, any unpaid balance is written-off by the government (currently after 30 years). This means that the cost of HE for lower earning graduates – either in terms of the number of years in employment or in terms of annual earnings – is subsidised by the tax-payer and this subsidy element accounts for the largest component of government expenditure on HE. As unpaid balances are not written-off until 30 years after loans are made, estimates of the subsidy element will be imprecise as they are dependent in particular on predicting graduate earnings across a cohort for decades in the future. The subsidy element is calculated as the face value of loans made in any one year less the discounted or present value of future repayments and is frequently expressed as a proportion of the initial loan outlay, the so-called RAB (resource accounting and budgeting) charge. Changes over time in eligibility for student loans (eg for part-time students, for maintenance, etc.), on interest rates, repayment thresholds, repayment rates, changes to the cap on annual tuition fees, changes to the composition of graduates holding student loans and predicted earnings before loans are written-off, all affect estimates of the RAB charge between cohorts. Prior to the pandemic, the government estimated that the RAB charge for Student Loans in England made in 2018/19 financial year was around 47% (41%

for part-time students and 47% for full-time students; DfE, 2019), meaning that the government anticipated that only around 53% of the total face value of loans is likely to be repaid. With loan outlays of £15,306 million for students studying full-time and £271 million for students studying part-time (DfE, 2020), this amounts to sizeable expenditure.

Another complexity related to the treatment of student loans in national accounts and public expenditure and therefore the fiscal deficit and the national debt. Until recently spending on student loans was classified a financial transaction and not included in the main measure of public expenditure on services. This meant that current spending on student loans did not count towards the fiscal deficit. Only interest accrued counted as income and write-offs as expenditure. But as write-offs don't occur until 30 years after loans are made, this system meant that the impact on the deficit would not be visible until a long time in the future. In relation to the national debt, loan outlays increase the debt, loan repayments reduce the debt both by their face value. Interest and write-offs have no impact.

The Office for Budgetary Responsibility (OBR) called this system a 'fiscal illusion' as policy decisions taken today would have no impact on the public finances for the next 30 years (OBR, 2018). The Treasury Select Committee and the House of Lords Economic Affairs Committee recommended that the Office for National Statistics (ONS) should re-examine the classification of student loans as financial assets for government and consider whether there is a basis to treat them differently from other loans in the UK National Accounts and Public Sector Finances. In December 2018 ONS published an explanation for its decision to treat the issuance of the UK student loans as a combination of government expenditure and a financial transaction (ONS, 2018). This means that student loans are now treated part as financial assets (loans), as some will be repaid, and part as government expenditure (capital transfers), as some will not be repaid. ONS describe this as the partitioned loan-transfer approach.

What does all this mean? Recent estimates put the real value of total public spending on Higher Education in England at just under £11 billion a year between 2015/16 and 2018/19, in 2019-20 prices (Bolton, 2021).

8.4 Outcomes

Increasing use of unconditional offers

UK universities make offers to applicants based on information provided in their applications, in particular predicted examination grades. This is because the timing of the admission cycle means that offers are made prior to the publication of examination results. Since the cap on student numbers in England was raised and then removed for the majority of undergraduate courses, concern has been growing about the increasing use of unconditional offers, or more specifically what are called conditional-unconditional offers (offers become unconditional once an applicant selects the HE provider as their first choice). With the lifting

of the cap, universities are now in much greater competition for prospective students and unconditional offers can help to secure students. In 2015 around 12% of applicants to degree level courses in England, Northern Ireland and Wales received at least one offer which included an unconditional component; in 2019, the share increased to nearly 38% (UCAS end of cycle report 2019; OfS, 2019). There are a number of issues associated with this practice that are troubling. Applicants who accept unconditional offers are more likely to miss their predicted grades (by two or more grades). Lower tariff providers (i.e., providers with lower entry requirements) are more likely to make unconditional offers although there is variation within tariff types. Applicants from areas of lower HE participation are more likely to receive unconditional offers and this is partly due to the profile of HE providers they apply to. Although most applications for undergraduate courses are processed by UCAS, some universities are inviting applicants to apply direct to them if they are the applicant's first and only choice. Applicants are being told that if they apply direct they won't need to complete the lengthy UCAS form, write a personal statement, or pay UCAS registration fees and can be told that they will be informed of the outcome within 48 hours (i.e. they won't have a lengthy wait). The university submits the form to UCAS on behalf of the applicant. This practice is reflected in the increase in direct unconditional offers (around 4% 2015 to around 12% in 2019) (UCAS, 2020). The OfS has raised the issue that there could be an element of pressure selling associated with unconditional offers and this is an illegal practice.

HE participation

The number of applicants to full-time undergraduate degree courses has risen considerably since 2006. The greatest increases occurring between 2006 and 2010 and over this period the acceptance rate fell as demand for places on undergraduate degree courses outstripped supply. Under the Coalition government the number of applicants was largely unchanged although the number of acceptances increased marginally in the final year which may have been a reflection of a slight raising of the cap in student numbers in England prior to its removal in 2015/16. Under the Conservative governments, applications also increased marginally 2015-2019 but acceptances grew by more and the acceptance rate increased. These UK level statistics mask the fact that devolution of HE policy meant that different trends emerged between UK nations and particularly between England and the rest of the UK. Focusing on 18 year olds applying for full-time undergraduate courses through UCAS it emerges that application rates in England increased from 34.8% in 2014 to 38.8% in 2019. In contrast, rates were virtually unchanged in Northern Ireland, increased only marginally in Scotland and increased by just over 2 percentage points in Wales. Application rates in areas with historically low HE participation increased in all UK nations under the Coalition government and continued to increase under the Conservative governments after 2014, particularly in England. However, since

2014 the gap between historically low HE participation areas and high HE participation areas was largely unchanged in England, increased in Wales and fell in Scotland and Northern Ireland. However, as acceptance rates have increased the entry rate gap between students from the areas with the highest and lowest levels of historical participation fell in both relative and absolute terms.

Other ways of measuring the socio-economic gap in participation, show that the size of the gap in entry rates between students previously eligible for free school meals (FSM) and non-FSM students fell in relative but not absolute terms over the past decade. This was also the case for the most advantaged and disadvantaged MEM groups (UCAS's multiple equality measure). However, despite some signs of improvement socio-economic gaps in participation remain large. In addition, the move to the new funding model has been associated with quite precipitous falls in HE participation for mature students and students studying part-time and rates have not recovered despite policy changes such as extending student maintenance loans to part-time students.

More graduates are achieving first class degrees but is there grade inflation?

Over the last decade the number of undergraduates achieving first class degrees has increased but concerns have been raised about grade inflation and reputational damage. With the removal of the cap in undergraduate student places in England and HE operating as a form of market where universities effectively compete for students, there is an incentive for universities to award more first class degrees to attract students as this is a performance indicator used by prospective students (and their parents). The proportion of UK-domiciled, full-time undergraduates attaining a first class honours degree from an English higher education provider, increased from 13% in 2006/07 to 22% 2014/15, and to 28% in 2018/19 (Figure 24); more than doubling over this period and increasing by 27% under the Conservative governments⁴². Increases in student numbers meant that in 2018/19 there were more than 32,000 additional graduates awarded a first class degree compared to 2014/15.

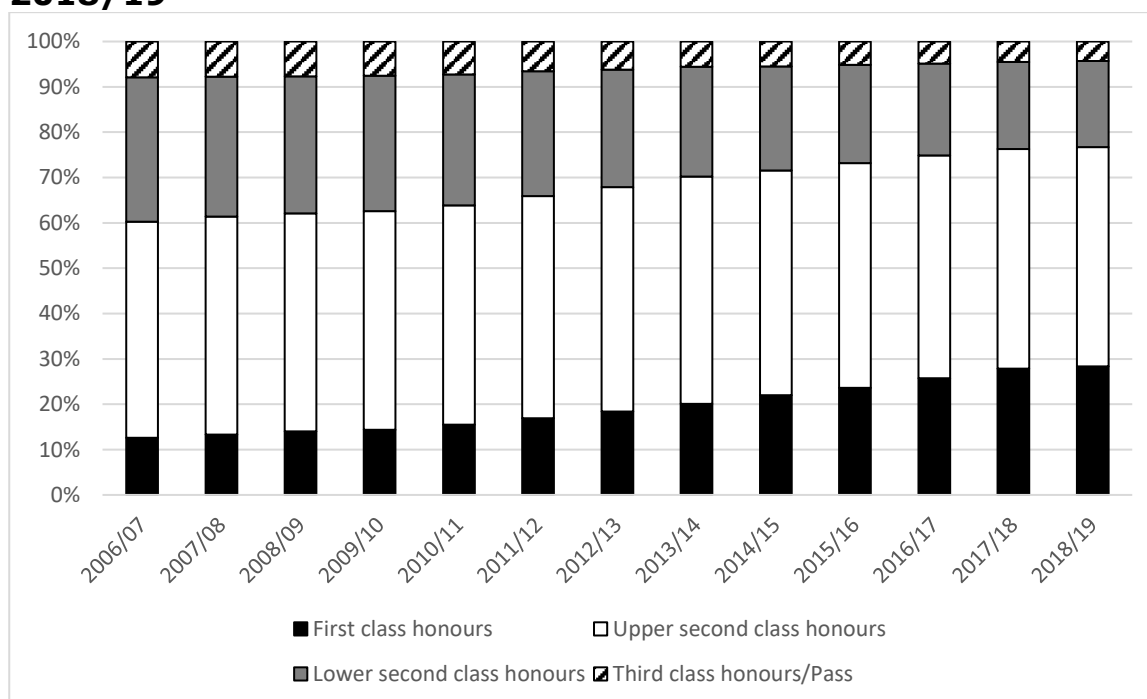
After higher annual tuition fees were introduced in 2012/13, first class degree awards increased by 10 percentage points up to 2018/19 (18% to 28%). Over the same period, the share of upper second class degree awards fell by only 1 percentage point (49% to 48%), but the share of lower second class degree awards declined roughly in line with the increase in firsts, falling by 7 percentage points (26% to 19%) and share of third class degree awards fell by 2 percentage points (6% to 4%). This increase in first class degree awards is not simply due higher levels of education attainment prior to students entering university as the

⁴² Degree classifications for students graduating in 2019/20 show a further rise in the share of firsts to 35%. These awards were made after the start of the pandemic and for students whose teaching in their final year of studies was disrupted.

proportion of these awards increased for all students no matter how low their entry level qualifications were (Office for Students, 2019).

The chance of achieving a first class degree is found to vary by ethnicity. In 2018/19 30% of White undergraduates were awarded a first class degree (77% were awarded a first or an upper second class degree). In contrast only 14% of Black undergraduates were awarded a first (only 57% were awarded a first or an upper second class degree). A higher share of Asian students and Mixed ethnicity students achieved first or upper second class degrees than Black students but overall White students were the most likely to be awarded firsts. This ethnic gap is not due to differences in entry qualifications. At every level of entry qualification, Black undergraduates are less likely to be awarded a first or upper second class degree. Statistical modelling finds that the vast majority of the ethnic gap couldn't be explained by differences in entry qualifications, subject studied, Participation of Local Areas (POLAR) quintile, previous school type, gender, disability status, course type or age (HEFCE, 2018).

Figure 24 Trends in the distribution of degree classifications, 2006/07-2018/19



Source: HESA: Overview charts (Students); Reference ID: OC051 Chart 9

Despite increases in first class degree awards for all ethnic groups, the gap between White undergraduates and Black undergraduates has increased over time. In 2012/13 20.4% of White undergraduates were awarded a first class degree in contrast to only 7.5% of Black undergraduates, representing a gap of 12.9 percentage points. In 2018/19 the gap widened to 16.9 percentage points.

Graduate labour market outcomes

There are clearly quite long lags between changes in higher education policy and early labour market outcomes of recent graduates, as higher education leavers

in any year will have made the decision to participate at least three years earlier. In addition, graduate labour market outcomes are affected not just by the quantity and quality of graduates entering the labour market in any one year but also by wider economic aspects that can affect graduate recruitment.

Until recently HESA collected information on graduates' first destinations at approximately six months after graduation and although these statistics provided an indication of the ease of insertion into the labour market, a review concluded that more reliable information on early graduate labour market outcomes should measure outcomes further after graduation. The Graduate Outcomes survey replaced the earlier survey and now takes place 15 months after graduation with 2017/18 leavers the first cohort to take part. Because there is a longer delay in collecting the information, the first results from this survey were not published until June 2020. Discontinuities between the two surveys mean that it is not possible to produce a time series beyond 2016/17. This is not ideal for assessing change since 2015 in the early destinations of graduates. In the paper we analyse data from both HESA surveys along with information from the Labour Force Survey (LFS) and other published evidence. Focusing on labour market outcomes of 21-30 year olds in the LFS provides a good indicator of early employment outcomes.

Employment

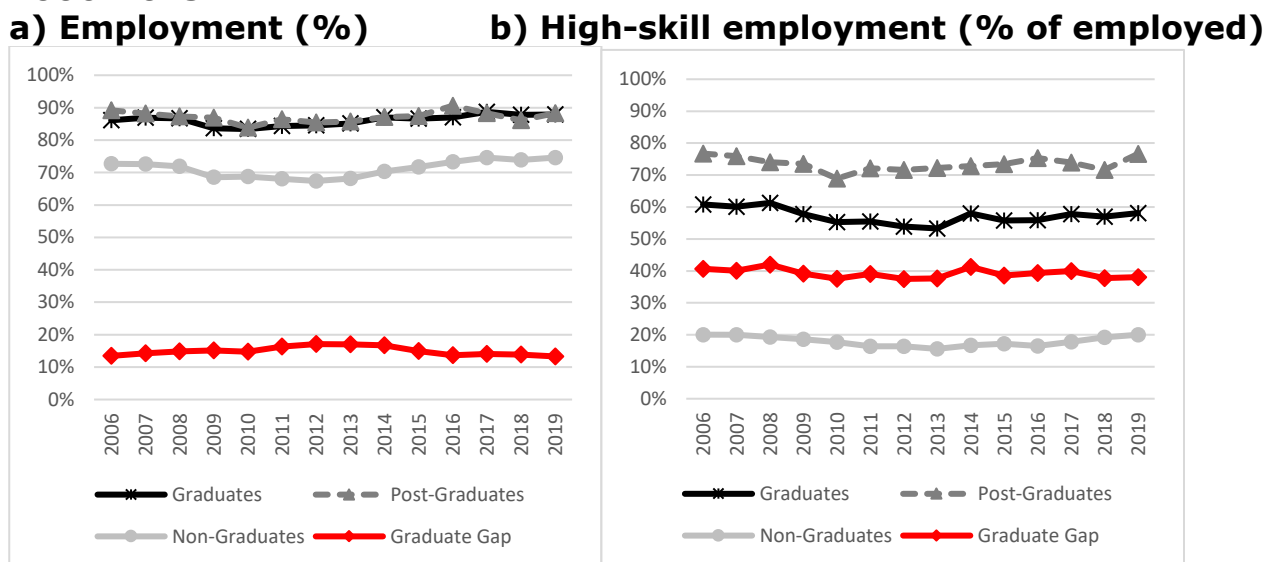
Higher education qualifications continue to be valued by employers and this is reflected in the higher employment rates among graduates and post-graduates relative to non-graduates (Figure 25a). Examining trends since 2006, it is clear that following the 2007/08 financial crisis employment rates fell for both graduates and non-graduates leaving the gap in employment rates between graduates and non-graduates largely unchanged ('graduate gap'). Under the Coalition government (2010-2015) as the economy recovered after the recession, the graduate gap in employment increased up to 2012/2013 as non-graduate employment rates took longer to recover. However, in the last year of the Coalition's term in office the graduate gap fell as the employment rate among non-graduates increased relative to that of graduates. Under the Conservative governments, the share of young non-graduates in employment increased relative to young graduates leading to a further fall in the advantage of holding a degree (the gap fell from 14.9 percentage points to 13.3).

High-skill employment

Employed graduates also have an advantage over employed non-graduates in terms of the share working in high-skill occupations (Figure 25b); between 2006 and 2019 50-60% of employed graduates compared to 15-20% of employed non-graduates. Not surprisingly post-graduates are the most likely to be employed in high-skill jobs; around four times more likely than employed non-graduates. The share of graduates and post-graduates in high-skill employment fell following the financial crisis. Among young graduate employees, since the

financial crisis less than 60% have been working in high-skill occupations with the lowest share (53%) in 2013. Since 2015 the share increased marginally from 56% to 58% in 2019 but this was less than the increase among non-graduates and the graduate gap (advantage) declined.

Figure 25 Employment outcomes by education level, 21-30 year olds, 2006-2019



Source: DfE Graduate Labour Market Statistics 2015; 2019 (Labour Force Survey)

Graduate earnings

One of the main motivations for attaining a degree is the prospect of higher lifetime earnings and a higher standard of living. Although there are also wider benefits, arguably higher education has become more commodified since the introduction of tuition fees and the very high level of these fees in England since 2012. The government too has a vested interest as higher earnings increase the likelihood of student loans being repaid and lowers the government (tax payer) subsidy. The government had hoped that tuition fees would be variable and in part vary according to different rates of return, but this didn't transpire as universities (rationally) charged maximum fees and the maximum has become the 'going rate'. To help guide students to degree courses with high rates of return, more detailed information on expected returns are now published in line with the commitment made in the Conservative's 2015 manifesto.

Average rates of return have held up despite the increasing supply of graduates. However, large differences are found between subject studied, university attended, socio-economic background, prior attainment, type of secondary school and gender (Britton et al., 2020). Graduate earnings premia associated with particular subjects (for example, medicine and economics) and universities (for example, Russell group universities) remain after controlling for differences in composition of students (Britton et al., 2020). Some degree courses are associated with very low rates of return and for some students net rates of return can even be negative. Estimates of lifetime earnings involve extrapolating from

historical patterns of earnings, subtracting taxes, student loan repayments and foregone earnings. Those who have negative returns would have been financially better-off had they not attended university. Although historical patterns of pay may not precisely predict future patterns of pay, estimates suggest that around one in five graduates are likely to be worse off (Britton et al., 2020). Not only is this an issue for the individuals involved, unpaid student loans are ultimately paid for by tax-payers. With no cap on student numbers, and fees covered through income-contingent student loans there is no disincentive for providers to offer low value courses as long as demand holds up.

8.5 Conclusions and policy challenges looking forward

Higher education benefits individuals and society, and has the potential to be a key engine of social mobility. In 2017 the Social Mobility Commission concluded that “if progress continues at the current rate it will take more than 80 years before the participation gap between students from disadvantaged and more advantaged areas closes”. While some progress has been made with record entry rates among 18 year olds from historically low HE participation areas, it is still the case that young people in high participation areas are more than twice as likely to attend university.

Overall the current funding model appears to have kept government spending broadly stable between 2015 and 2019 along with increases in HE participation. The current HE funding model in England annually adds £11bn to government expenditure (ultimately taxpayers) mainly through subsidising a large share of the face value of student loans that is not expected to be repaid. The previous method of accounting meant that this expenditure was effectively pushed a long way into the future but a recent revision by ONS has meant that the subsidy element now accrues in the year liabilities are taken on (student loans are issued). This helps to bring this element of government expenditure into focus.

An increasing share of graduates are being awarded first class degrees and this increase is found irrespective of entry qualifications, including among those with very low prior qualifications. The increase started at around the time higher tuition fees were introduced and might be being used to attract prospect students as well as to reward students for the large investment they are making. Concern has been raised that grade inflation risks reputation damage and the devaluing of degrees awarded in a different era.

On average, graduates continue to have an advantage in the labour market despite increases in supply. They enjoy higher rates of employment, greater prospects of working in high skill jobs and, on average, higher lifetime earnings. Beneath this average lies considerable variation with some subjects at a number of prestigious universities associated with very high earnings premia. Rates of return continue to be socially stratified reflecting not just variation in the value of different degrees but also inequalities in the labour market. Experts have concluding that there are too many degree courses which have little value and too many students find that they would in fact have been better-off in financial terms had they not attended university.

Policy challenges for the 2020s

There are a number of areas identified that require attention from policy makers. The growing use of unconditional offers, given their association with poorer A level grades and higher drop-out, needs to be addressed particularly if they are found to be associated with lower earnings. Addressing the timing of the university admission cycle and the release of A-level grades which results in predicted grades being used as the basis for offers could help to eliminate the use of unconditional offers. In addition, more still needs to be done to reduce inequalities in participation and particularly inequalities in participation in high-value degree courses.

Grade inflation associated with large increases in the award of first class degrees risks reputational damage and could devalue degree awards made in the past.

The prevalence of low value degrees, ultimately paid for by taxpayers, needs to be reduced. This might involve looking at the incentives of providers and the funding they receive for different degree courses. Better information and guidance for prospective students could also help.

Challenges associated with Brexit

Brexit will undoubtedly lead to a fall in EU students at some universities, which has revenue implications, and a smaller pool of academic teaching staff to draw from. Although the government has made various commitments, it is also likely to lead to a fall in research funding and opportunities to collaborate with EU researchers.

Challenges associated with the Coronavirus pandemic

In the short-term the pandemic is having an impact on the number of international students. As international students pay higher fees than domestic students this fall has serious financial implications particularly for providers who usually attract a high share of international students. This not only affects total revenue but where higher international student fees are used to cross-subsidise the cost of domestic students' tuition, the fall in enrolment of international students will have a wider negative impact.

Although domestic student numbers increased in 2020/21, in part because of the higher A-level grades awarded and universities filling places which would normally be filled with international students, universities are facing large cuts to their revenue. These come from lower income from residences and catering, cancellations of executive education, summer schools and conferences. They are also facing higher costs, in particular due to increases in pension liabilities.

From a government expenditure perspective, lower lifetime earnings due to the impact of the pandemic on the labour market increasing the cost of HE as anticipated loan repayments fall for cohorts of graduates. This has already led to an upward revision in the RAB charge for student loans in England issued in 2019/20 from 53% for full-time students (up from 47% in 2018/19) and 45%

for part-time students (up from 41% in 2018-19). It will also affect the share of loans made in previous years that are likely to be repaid and will therefore lead to an increase in government expenditure.

9 Health from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes – Polly Vizard and Polina Obolenskaya with Jarrod Hughes, Kritika Treebhooon and Iona Wainwright

This section examines health expenditure, policies and outcomes between May 2015 and the eve of the COVID-19 pandemic in early 2020. What did the Conservative Governments spend and do over this period - and what was achieved in terms of improving health outcomes and reducing health inequalities?

- Real public sector expenditure on health in the UK increased under the Conservative Governments between May 2015 and early 2020 at a somewhat faster rate than under the Coalition. However, during the second decade of the 21st century as a whole, increases in real public expenditure on health in the UK lagged behind simple indicators of need and demand.
- In England, the NHS budget was relatively protected and increased more in real terms than had been planned in 2015. However, this was combined with substantial cuts to local government public health allocations and to the education and training budget.
- Integrated health and care models began to be rolled out, mental health received increased attention and there were important initiatives relating to sugar-sweetened soft drinks, tobacco regulation and clean air. However, progress in delivering integrated care proceeded at a slower pace than had been planned, while ambitions for a major drive on preventative health and health inequalities were not delivered.
- Pressure on the healthcare system continued to mount up, with substantial workforce shortages and reliance on temporary and overseas staff, coupled with increases in waiting times and deterioration in some indicators of quality. Average acute and general bed occupancy was particularly high in winter 2017/18 and Q3 2019 and there was a blanket cancellation of non-urgent operations in England in January 2018 in response to high winter pressures.
- There was progress relating to sugar-sweetened soft drinks which was targeted by the new Soft Drinks Industry Levy, smoking prevalence and inequalities, and a small further decline in population alcohol consumption.
- Adverse mortality trends pre-dated the coronavirus pandemic with a slowdown and stalling of improvements across a range of mortality indicators and widening of inequalities against some key outcomes. There were adverse developments in relation life expectancy, standardised mortality rates, avoidable mortality rates, heart disease deaths, drug poisoning deaths and deaths amongst homeless people.
- The slowdown and stalling of improvements in life expectancy in England during the second decade of the 21st century affected both males and females across deprivation deciles. However, this trend was more marked among the poorest, particularly for women living in the most deprived decile, for whom life expectancy declined between 2011-13 and 2016-18. As a result, female life expectancy inequalities by deprivation decile increased.

9.1 Aims and goals

Each of the three Conservative Party Manifestos during this period included a high level commitment to the NHS, tax funded and free at the point of delivery, based on need not ability to pay. Whilst the resource commitments included in the 2015 and 2017 manifestos were notably limited, the new financial settlement for the NHS announced at the time of the NHS 70th birthday in July 2018 increased resource allocations to the NHS substantially going forward, and this commitment was restated in the 2019 Manifesto. There were commitments in 2015 and 2017 to the delivery of the NHS England Five Year Forward View plan; and there was a particular emphasis on mental health and health inequalities as part of the 'burning injustices' agenda. The 2019 manifesto included commitments to increase the immigration health surcharge, to address workforce shortages and to a post-Brexit NHS Visa.

9.2 Policy developments

Policy attention was focussed on Brexit for much of this period, until the coronavirus pandemic hit. Meanwhile, the effects of two key policy developments put into place under the Coalition continued to feed through under the Conservative Governments after 2015. The first was the cumulative effect of austerity and the decision to respond to the effects of the financial crisis on the deficit through public expenditure cuts rather than increased taxation. The second was the effect of the Coalition's radical health reform programme, which had meant that the majority Conservative Government inherited a transformed health landscape when it came to power in 2015.

Coalition health reforms

By early 2020, questions were being asked about three key issues relating to the new bodies and arrangements brought about by the Coalition's health reforms.

- First, questions were being asked about overall system wide accountability and responsibility for providing a comprehensive health service, improving health outcomes and reducing health inequalities. Whilst the Health and Social Care Act 2012 established new statutory health inequalities duties, the Marmot Ten Years on Review concluded that health inequalities have not been prioritised and that the drivers of change - including overall systems for monitoring health inequalities and for delivering effective public action to ensure strategic change - are too weak.
- Second, the Coalition's reforms included the devolution of public health functions to local government and foresaw a major role for local bodies in a new 'bottom up' drive on preventative health and health inequalities. However, by early 2020, key concerns included: the extent to which the levers of control are truly within the scope of local government; the alignment, co-ordination and integration of roles, responsibilities and accountabilities between local government, Public Health England and the NHS; and cuts to local government public health budget allocations.
- Third, a consensus has emerged amongst bodies such as the Health and Social Care Select Committee, NHS England and the National Audit Office that the competition, commissioning and procurement rules put into place by the

Health and Social Care Act 2012 had been a barrier to the rolling out of integrated health and care models. In September 2019, NHS England and NHS Improvement published joint proposals to eliminate legislative barriers to integration.

There were several policy advances during the period, including progress towards integrated and person-centred care, the introduction of a sugar levy and increased focus on mental health

- **Integrated and person centred care.** NHS England's plans for health and care integration were partially implemented with new integrated health and care models rolled out. Innovative arrangements for integrated health and care arrangements were included within new devolved city region arrangements. Dignity initiatives were taken forward as part of broader strategies on patient-centred care and quality improvement.
- **Public and preventative health.** There were examples of good practice in relation to preventative and public health at the local level including in relation to health inequalities and the adoption of the 'social determinants' approach. Internationally, there is a growing trend to use legal and fiscal measures to promote good health, and preventative health measures included a sugar levy and tobacco control measures. A clean air strategy including a commitment to legally binding targets and increased local enforcement powers was published. Minimum alcohol pricing was introduced in Scotland.
- **Mental health.** There was a particular focus on mental health with multiple initiatives including additional funding, new mental health access and waiting time standards, psychological therapies, crisis support, children and young people's mental health services, and mental health in the workplace and within schools. In response to rising rates of detention and racial disparities, a review of the Mental Health Act 1983 recommended legislative reform. Plans to advance this proposal were announced under Theresa May but delayed by the Conservative Party leadership election. Prior to the outbreak of COVID-19, the Johnson Government also committed to legislative reform.

However, progress in relation to key policy objectives was slower than planned, and anti-obesity measures were criticised for being too limited in scope

The fragmentation of the health and care system remained a key concern at the end of the period. In February 2020, the National Audit Office found that the Five Year Forward View service transformation ambition from 2014 had not been fully implemented, with progress towards integrated health and care lagging behind the planned schedule. NAO further concluded that the share of out-of-hospital (primary and community) health spending had declined rather than increased, whilst the ambition to reduce demand through a new focus on public and preventative health had not been matched by funding. While the introduction of the sugar levy was welcomed, anti-obesity policies were criticized for being overly limited in their scope.

The 'hostile environment' and the unravelling of universalism at the margins

Concerns were expressed over the period that the new charging regime introduced as part of the 'hostile environment' initiative (aimed at irregular migrants) was resulting in the emergence of health protection gaps for undocumented migrants and individuals who have been refused leave to remain. The 'hostile environment' was also a key factor behind the Windrush scandal which was revealed in 2018 and denial of access to healthcare is an official ground for compensation for those affected.

Brexit related policy developments

The notion of a Brexit 'dividend' for the NHS was rejected by the IFS. No-deal Brexit planning included measures to address supply chain issues and potential shortages in medical supplies. The number of overseas nurses from EU countries fell post-referendum but increased from elsewhere. The NHS Visa scheme announced in early 2020 covers the health but not the social care workforce. Following the Brexit transition period, EU citizens will be subject to health charges and NHS organisations will be required to verify documentation establishing 'settled status' or entitlement to free care based on reciprocal agreements. The legal protection provided by the codified fundamental right to health (included in the EU Fundamental Charter of Rights) has been important during the current period. However, the EU Withdrawal Act (2018) states that the Charter will not be part of domestic law when the UK leaves the EU.

9.3 Public expenditure

While public sector expenditure on health in the UK increased at a somewhat faster rate than under the Coalition, the resources squeeze continued

The broadest official measure of public expenditure on health includes spending by the devolved administrations and local government. Using this definition, the average annual increase in real public sector expenditure on health in the UK was 1.6% between 2014-15 and 2018-19 (before the new NHS financial settlement fed through) and 2.3% between 2014-15 and 2019-20 (after the effects of the new NHS financial settlement began to be felt). This was higher than under the Coalition (1.1%) but substantially lower than the historical average (4.4%). Comparing expenditure on health during the first and second decades of the 21st century, there were average increases of 6.6% per annum between 1999-00 and 2009-10, compared with 1.7% per annum between 2009-10 and 2019-20 (Table 2).

Table 2 Average real annual growth rate of public sector expenditure on health by period and by political administration (United Kingdom)

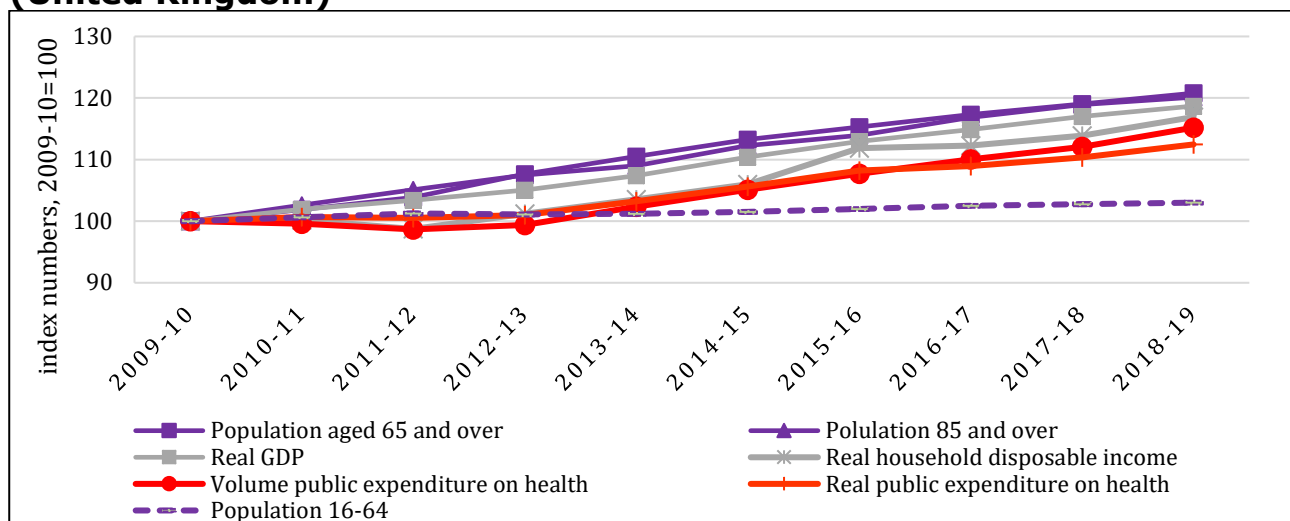
Historical (1955/6-2009/10)	1955-56 - 2009-10	4.4
First decade of the 21st century	1999-00 - 2009-10	6.6
Second decade of the 21st century	2009-10 - 2018-19	1.3
Second decade of the 21st century	2009-10 - 2019-20	1.7
Labour	Thatcher (1978-79 - 1982-83)	2.7
	Thatcher (1982-83 - 1986-87)	2.1
	Thatcher/Major (1986-87 - 1991-92)	3.3
	Major (1991-92 - 1996-97)	4.1
	1996-97 - 2009-10	6
	Blair (1996-97 - 2000-01)	4.9
	Blair (2000-01 - 2004-05)	9
Conservatives/Liberal Dem Coalition	Blair / Brown (2004-05 - 2009-10)	4.6
Conservatives	2009-10 -2014-15	1.1
	2014-15 - 2018-19	1.6
	2014-15 to 2019-20	2.3
<i>Before new NHS financial settlement</i>	Cameron (2014-15 - 2016-17)	2.5
	May (2016-17 - 2018-19)	1.3
<i>After new NHS financial settlement</i>	Johnson (2018-19 - 2019-20)	5.2

Source: Authors' analysis using data in Harker (2012) and HM Treasury (2019c). See Vizard et al. (forthcoming) for full notes and references.

Looking at the second decade of the 21st century, average annual increases in real and volume public expenditure on health lagged behind increases in simple indicators of need and demand

Under the Coalition, increases in volume public spending on health in the UK were exceptionally low and lagged behind simple indicators of need and demand such as increases in the older populations aged 65 and 85 and above, GDP and disposable household income. Trends under the Conservative Governments after May 2015 were somewhat more positive, with increases in volume (though not real) expenditure outpacing increases in GDP and the older population. Looking at the second decade of the 21st century as a whole though, increases in real and volume spending were outpaced by increases in the older population, GDP and disposable household income between 2009/10 and 2018/19 (Figure 26).

Figure 26 Change in public expenditure on health and simple indicators of need and demand during the second decade of the 21st century (United Kingdom)



Source: Authors' analysis using data in HM Treasury (2019c), ONS (2019a), DoH (no date) and Curtis and Burns (2018, p. 166). See Vizard *et al.* (forthcoming) for full notes and references.

In England, 'relative protection' of the NHS budget was combined with cuts in other elements of spending, including cuts to public health

Looking at breakdowns of departmental spending in England prior to the new financial settlement for the NHS, real average annual growth rate of the NHS England budget was 2.4 per cent over the period 2014-15 to 2018-19. While NHS England spending over this period was 'relatively protected' compared to some other areas of public expenditure, these increases were less than the amounts that experts deem necessary to keep pace with need and demand over this period (ranging from about 1.5 per cent per annum for demographic pressure alone to around 4 per cent taking into account technological change and demand). Moreover, the overall Department of Health and Care budget increased at a slower rate than NHS England budget (an average of 1.7% per annum) reflecting cuts in some areas.

- The public health budget for local government was cut by 8.2% between 2015-16 and 2018-19 (including spending on services for children aged 0-5 some of which were transferred to local authorities from 2015/16⁴³). King's Fund shows that on a comparable basis (excluding spending on services for children aged 0-5), revenue expenditure on public health by local authorities fell by 16.7% between 2014-15 and 2018-19, while the total (which includes services for children in 2014-15) fell only by 1%⁴⁴.
- The education and training budget was cut by 14.0% between 2014-15 and 2018-19.

⁴³ Authors' calculations using DHSC (2019a) (nominal figures) and HM Treasury (2019a) (GDP deflators).

⁴⁴ Authors' calculation using Kings Fund (2018) figures. See Vizard *et al.* (forthcoming) for details.

- The capital budget was cut between 2014-15 and 2016-17, but increased by 11.6% between 2014-15 and 2018-19.

The new financial settlement for the NHS resulted in an increase in the NHS England budget of 6.1% in 2019-20. Taking account of this uplift, the average change in the NHS England budget was 3.1% per annum and the average change in the total Department of Health and Care budget was 1.7% per annum.

Spending in England in priority areas: mental health, public and preventative health and out-of-hospital care

Mental health spending increased relative to other areas of the NHS England budget. However, cuts to the local authority public health grant constrained the ability to deliver a step-change in public and preventative health. Hospital expenditure as a percentage of total NHS expenditure increased.

The need for a new health and social care funding model that substantially increases national resources allocated to health and care

In 2014, the Barker Commission recommended a new single ring-fenced funding model for the 21st century and a substantial ratcheting up of the share of national income devoted to health and care. While progress was made in relation to pooled health and social care budgets, there was little progress towards this overall goal.

9.4 Outcomes

Input growth and output growth slowed down during the second decade of the 21st century - with health as a sector doing 'more for less'

ONS estimates show that in the UK healthcare inputs growth per year averaged at 2.6% under Conservatives, 1.7% under Coalition, and 4.8% under Labour. Volume growth in public service healthcare outputs averaged 3.5% per annum under the Conservative Governments after 2015, the same rate (3.5% per annum) under the Coalition and 5.3% during the sustained period of supply side expansion under Labour. Health as a sector continued to do 'more for less', with ONS measured productivity growth in the UK remaining at an average of 1.3% per annum under the Conservatives (2015 to 2017) compared with 1.8% under the Coalition (2010 to 2015), and 0.5% under Labour administrations (1997 to 2010). This increase in productivity reflects output growth continuing to outpace input growth as it did under the Coalition (with input growth depressed by slower growth in costs resulting from slower workforce expansion as well as the public sector pay deals which constrained wage growth).

Pressure on the healthcare system continued to mount up, with substantial workforce shortages, further increases in waiting times and deterioration in some indicators of quality

- In June 2019, the Interim NHS People Plan identified substantial shortages across a wide range of NHS staff groups including GPs, psychiatrists, paramedics, radiographers and dentists. Shortages of nurses were identified as the most urgent issue, with particular shortfalls in mental health, learning disability, primary and community nursing. In hospital and community health

services, there were around 40,000 reported vacancies in substantive nursing posts (with around 80% of these shifts covered by agency or bank staff). National Audit Office estimates from early 2020 suggest only a 5% increase in students starting undergraduate nursing degrees 2017–2019 compared to a 25% target.

- Overnight general and acute bed occupancy increased in both summer and winter between 2014/15 and 2018/19 with a peak at almost 93% in 2017/18 and occupancy high in Q3 2019. In an unprecedented move in response to winter pressures in January 2018, non-urgent operations were postponed throughout England.
- Waiting times for healthcare increased substantially across a range of indicators, with 4.42 million patients in England waiting to start treatment at the end of November 2019. Performance declined substantially against the 18 week referral to treatment target; across common treatment types; for diagnostics; for different aspects of cancer care, including waiting between urgent GP referral / first consultation and decision to treat / first cancer treatment; and waits of four hours or more in A&E. Median waiting times for admitted and non-admitted pathways deteriorated after 2010, although median waits remained lower than in August 2007.
- Trends in patient experiences were mixed. Overall inpatient experience in relation to support with eating and drinking, and involvement and information, declined; and there were no improvements in inpatient experiences of dignity and respect after 2015. Experiences of community mental health declined across a number of areas and GP experiences declined on the most recent consistent data that is available. More positively, results of the urgent and emergency care were stable; cancer care experience indicators improved; and two out of three of the new mental health experience targets were achieved. Experiences of maternity care improved between 2013 and 2017 but this trend did not continue between 2017 and 2018.
- Overall satisfaction with the NHS was at its lowest level for more than a decade in 2018 but improved somewhat in 2019.

The proportion reporting good physical and mental health declined, while inequalities in healthy life expectancy have widened since 2011-13

The proportion of the population reporting bad or very bad general health, longstanding conditions, disabilities and health problems has been gradually increasing over time and this trend continued during the current period. Healthy life expectancy increased for males between 2009-11 and 2016-18 but *declined* for females. Disability-free life expectancy declined for both males and females and the proportion of life spent in good health and disability-free both declined. According to Health Survey for England data, there was a substantial upturn in the percentage of adults at risk of poor mental health over the decade 2006-2016, with increases in psychological distress following the financial crisis (2008-2010) and during the onset of austerity (2010-2012) with a further steep increase to record levels in 2016 before falling back somewhat in 2018. Inequalities remained endemic across a range of indicators including the

proportion of the population reporting bad or very bad general health, longstanding illnesses or conditions, disabilities and physical and mental health. In England, gaps in healthy life expectancy for both males and females by IMD decile marginally narrowed between 2014-16 and 2016-18, but have widened since 2011-13.

Risk factors remained unequally distributed, with obesity inequalities widening

On a positive note, there was progress relating to sugar-sweetened soft drinks which was targeted by the new Soft Drinks Industry Levy, smoking prevalence and inequalities, and a small further decline in population alcohol consumption. In addition, while smoking inequalities remain substantial, there was a narrowing of the socio-economic gap between 2014 and 2019. However, adult obesity prevalence has been on upward trend since 1993 and further increased by 0.8 percentage points between 2015 and 2018. Inequalities remained endemic across multiple risk factors and widened for both men and women across some indicators. Adult obesity declined amongst the least deprived decile and increased amongst the most deprived. While overall child obesity rates remained stable, the average figures obscure divergent trends, with declines amongst the least deprived and increases amongst the most deprived in both reception and year 6. Fruit and vegetable consumption amongst children has failed to improve and Food and Agriculture Organization analysis of food insecurity suggested concerning patterns for the UK. There was a decline in coverage for routine childhood vaccinations and the UK's measles-free status with WHO (awarded in 2016) was withdrawn in 2019.

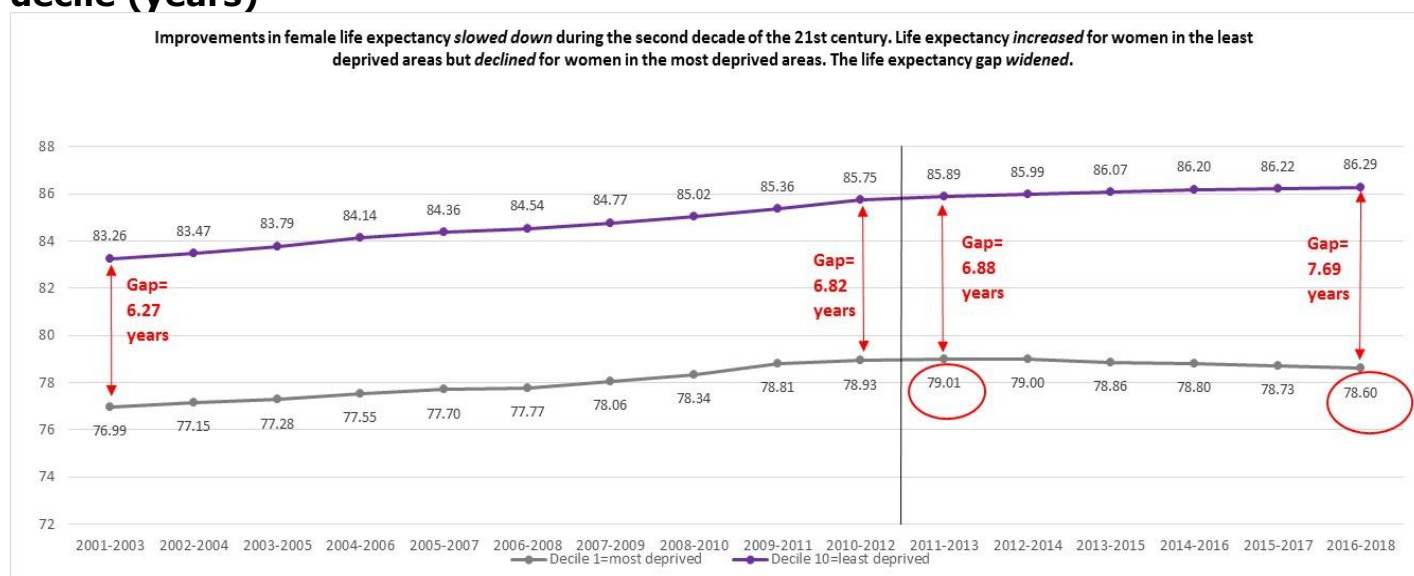
Adverse mortality trends pre-dated the coronavirus pandemic, with improvements in mortality slowing down and stalling during the second decade of the 21st century, and mortality inequalities widening in some instances

The slowdown in improvements across a range of mortality indicators and the widening of inequalities against some mortality indicators is one of the key findings for this period. There were adverse developments in relation to trends in life expectancy, standardised mortality rates, avoidable mortality rates, heart disease deaths, drug poisoning deaths and deaths amongst homeless people.

- Improvements in life expectancy at birth (UK), age-standardised mortality (England and Wales) and avoidable mortality (UK) slowed down and stalled during the second decade of the 21st century.
- The stalling of improvements in life expectancy in England during the second decade of the 21st century affected both males and females across deprivation deciles, but was more marked among the poorest, particularly for women living in the most deprived decile, for whom life expectancy declined between 2011-16 and 2016-18 (Figure 27). The gap in local government areas in the UK with the highest and lowest life expectancy widened for both men and women between 2013-15 and 2016-18.
- Following more than two decades of substantial reductions in heart disease mortality in England and Wales, there was a notable slowdown in further improvements during the second decade of the 21st century.

- Progress in addressing inequalities in mortality from the major killers in England during the second decade of the 21st century was limited. Gaps in age-standardised under 75s cardiovascular mortality barely changed between 2011 and 2018, although a small narrowing of inequalities was observed in age-standardised mortality rates for cancer and liver disease. Conversely, the gap for age standardised mortality from respiratory diseases widened. While the avoidable mortality deprivation gap for men in England narrowed slightly between 2014 and 2017, the gap for women widened.
- Excess winter deaths in England and Wales were high in 2014/15 and 2017/18, particularly amongst older women.
- In England and Wales, drug poisoning deaths and mortality amongst homeless people in England increased, while alcohol deaths remained on an upward trend.
- Suicides in the UK increased in the wake of the financial crisis and recession, before falling in 2017. Rates increased in 2018 and remained high in 2019.
- There were no further improvements in the infant mortality rate in the UK after 2013.

Figure 27 Life expectancy at birth for females by English deprivation decile (years)



Source: Public Health England (2018) for data points 2001-2003 to 2010-2012; ONS (2020c) for datapoints 2011-2013 to 2016-2018. **Note:** IMD is the official measure of relative deprivation for small areas in England. IMD 1 represents the most deprived decile and IMD 10 represents the least deprived decile. Estimates are for 2001-03 to 2009-11 use IMD 2010; estimates for 2010-12 -2015-17 use IMD 2015; estimates for 2016-18 use IMD 2019.

The UK's performance on international league tables remained disappointing

While the UK continued to perform well internationally in terms of universal and equitable access to healthcare, the UK's position in international performance

tables remained disappointing for a range of health outcomes. The UK's relative ranking in relation to key indicators such as life expectancy and infant mortality continued to lag behind a number of comparator countries and has declined rather than improved over time.

9.5 Conclusions and policy challenges looking forward

The overall state of the health system on the eve of the coronavirus pandemic

Avoidable health inequalities were a major source of social injustice on the eve of the COVID-19 pandemic.

Inequalities by deprivation were evident across multiple mortality indicators, including age-standardised mortality, avoidable mortality, mortality from major killers including cardiovascular disease, respiratory, liver and cancer, suicide and infant mortality, with mortality inequalities widening against some indicators during the second decade of the 21st century. Inequalities by deprivation are also reflected in indicators of good physical and mental health, with stark disparities in poor general health and disability, healthy and disability-free life expectancy, prevalence of poor mental health, and in the distribution of risk factors such as smoking and obesity. Health inequalities by ethnicity were evident in some aspects of patient experience, maternal mortality and infant mortality, mental health detention, health problems in older age and obesity.

Weakening of the healthcare system

The period was characterised by repeated warnings from authoritative bodies and health experts in relation to resource constraints, lack of fiscal sustainability and the weakening of the healthcare system.

- In March 2018, the Public Accounts Committee found that 'The NHS is still very much in survival mode, with budgets unable to keep pace with demand' whilst in June 2018 the Health and Social Care Committee concluded: '(f)unding and workforce pressures on NHS, social care and public health services present significant risks to the ability of the NHS even to maintain standards of care, let alone to transform', impacting on progress towards integrated care.
- In October 2019, the Care Quality Commission's annual report highlighted high demand and workforce pressures across health and care, with mounting access and quality challenges and particular evidence of deterioration in mental health inpatient services.
- In February 2020, National Audit Office analysis suggested that growth in waiting lists, slippage in waiting times, workforce vacancies and substantial deficits in some parts of the healthcare system did "not add up" to a picture that could be described as sustainable. Ambitions to deliver a step-change in public and preventative health had not been matched by funding.
- Commenting on NHS performance data in late 2019, the Health Foundation warned that the safety net of the NHS was at risk of breaking down.

Erosion of healthcare system resilience

The period was characterised by warnings relating to the resilience of the healthcare system and its capacity to cope with seasonal increases in demand during winter, winter flu epidemics and other major adverse health shocks. In relation to major health shocks, key concerns relating to a lack of intensive care beds and ventilators, personal protection equipment and the resilience of the care sector were raised in health emergency planning exercises in 2017. Nevertheless, in October 2019, a global study of health security examined the capacity of 195 countries to identify and respond to biological events such as epidemics, pandemics and biological warfare. The UK was ranked second in terms of overall health security and first in terms of rapid response to and mitigation of the spread of an epidemic.

Deterioration in mortality outcomes and widening of mortality inequalities

High winter excess deaths during 2014-15 and 2017-18 have been explained in terms of flu, austerity effects/healthcare pressures and their interaction. By the eve of the COVID-19 pandemic, there was a growing consensus that the broader adverse trends in mortality during the second decade of the 21st century can be explained at least in part by austerity effects. The Marmot 10 years on assessment published in early 2020 concluded: "it is likely that the cuts have harmed health and contributed to widening health inequalities in the short term and are likely to do so over the longer term".

Policy challenges for the 2020s

On the eve of the coronavirus pandemic, key health policy challenges included:

- **Delivering a new financial settlement for health fit for the 21st century and implementing a health expenditure recovery programme.** There was an urgent need to address the fundamental challenge of delivering a longterm financial settlement which substantially increases the level and share of national resources devoted to health. Plans set out in early 2020 failed to: compensate for a decade of historically low expenditure growth; to increase expenditure in line with demand and need going forward; and to fund adequate investment in mental health and public and preventative health, including reducing health inequalities.
- **Addressing the non-sustainability and weakening of the healthcare system and the erosion of healthcare system resilience.** The non-sustainability and weakening of the healthcare system and the erosion of healthcare resilience also required urgent addressing on the eve of the COVID-19. This included a comprehensive response to the ongoing capacity, access, quality challenges, including addressing the ongoing warnings relating to winter pressures and health shocks.
- **Achieving the major drive on preventative and public health foreseen in the Coalition's health reforms.** The major drive on preventative and public health foreseen in the Coalition's health reforms had not been delivered by the eve of the COVID-19 pandemic. On the eve of the COVID-19 pandemic, there was an urgent need to address this policy failure through a substantial

ratcheting up funding for public and preventative health and a more effective integrated and co-ordinated approach to local, regional and central government action combining health interventions and a wide range of broader regulatory and fiscal measures.

- **Delivering on stated policy aims: integrated care and mental health.** The delivery of integrated care was recognised as a policy aim in the NHS Five Year Forward View in 2015. However, this aim was not fully implemented and in early 2020 the health system remained fragmented with continued divides between healthcare and public/preventative health; primary, community and secondary care; physical and mental health; and health and social care. By early 2020, a consensus had emerged that rules relating to competition and procurement required amending. Delivering parity of esteem between physical and mental health also remained a major challenge in early 2020.
- **Delivering on stated policy aims: implementing the NHS Longterm Plan (2019) and the Public Health England Strategy 2020-25.** The NHS Longterm Plan (2019) set out ambitions for the upcoming period relating to integrated care, to expand primary care and preventative health, to parity of esteem for mental health and to better address dementia and Alzheimer's disease. Public Health England's strategy for 2020–2025 set out a national agenda for the period 2020-25 relating to obesity, smoking, diet, clean air, mental health as well as in relation to vaccination rates and infectious diseases. Challenges on the eve of the COVID-19 included adequately funding and delivering the policy aims set out in these documents.
- **Delivering a major and comprehensive programme of public action to reduce health inequalities.** A related key challenge is the need for a major and focussed drive to address health inequalities, including implementation of the recommendations in the Marmot plus 10 years review. The latter highlighted the need for a comprehensive programme of public action including a national public health strategy and official health inequalities targets, with requirements for proportionately greater improvements in health inequalities in deprived deciles and the North. Other recommendations included: strengthening the deprivation component of funding formulae; implementation of 'proportionate universalism'; reversing austerity; and implementing the 'social determinants' approach by addressing underlying socio-economic drivers.
- **Undertaking a programme of public action to reverse the adverse mortality trends observed in the recent period, including by taking comprehensive public action to address excess winter deaths and widening mortality inequalities.** Ensuring an adequate public policy response to reverse recent adverse mortality trends was another major challenge. A focused drive on health inequalities could make a substantial contribution by reducing high rates of cardiac and respiratory related mortality in deprived areas and "levelling up" rates to those achieved in less deprived areas. Increasing mortality associated with alcohol, drug poisoning, homelessness and suicide all required urgent public policy action. New policy

measures were required to address the mass vulnerability of the 'oldest of the old' including the frail older population and those with Alzheimer's and dementia from infectious diseases, even prior to COVID-19.

- **Delivering a major and comprehensive programme of public action to address population ageing, including implementation of the WHO healthy ageing agenda.** The latter sets out a comprehensive public policy response to the phenomenon of population ageing, including the delivery of integrated and older-person focused health and care by 2030 and a broader set of societal measures (e.g. supportive transport and housing) that support health, wellbeing and broader capabilities in older age.
- **Strengthening the overall system of political and legal accountability for health.** The arrangements in place for ensuring political and legal accountability for improving health outcomes and reducing health inequalities also required strengthening. The Marmot '10 years on' review proposed the re-introduction of a system of national targets. Other proposals include stronger legislative duties and / or codifying a fundamental right to health in domestic law or a written constitution.
- **Addressing the implications of Brexit.** With "no deal" remaining possible at the end of the Brexit transition period, the possibility of medical supply side shortages remained on the agenda in early 2020. In relation to future trade deals, while the 2019 Conservative Party Manifesto stated that the NHS is "off the table", concerns were expressed that pharmaceutical products would be within scope.

10 Adult Social Care from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes – Tania Burchardt, Polina Obolenskaya and Jarrod Hughes

Social care has been referred to as the 'forgotten front line' during the COVID-19 crisis. The second class status of social care is unfortunately all too familiar to those in the sector. Chronic under-resourcing meant that the gap between need and capacity to supply coordinated, comprehensive and high-quality care was already wide before coronavirus hit. The focus of this paper is on reviewing the state of adult social care in England on the eve of the pandemic, and how we had arrived at that point. It should be read in conjunction with the companion paper on health.

- An increasing proportion of revenue for social care is in **pooled budgets** with the NHS. This encourages joint arrangements and **total public spending** on adult social care grew 6.9% in real terms between 2014/15 and 2018/19. But because both health and social care continue to be under severe financial and organisational pressure, integration in practice falls well short of the ambition.
- Homing in on **gross current expenditure** by local authorities on adult social care: this grew by only 2.7% in real terms over the same period, and in 2018-19 it remained 4.3% below the previous peak in 2009-10. The population aged 80+ has grown by 17% since then.
- Just under 1 in 3 independent-sector **care workers** were paid *at* the minimum wage in March 2019 (compared to around 1 in 14 of all UK workers); 1 in 3 of all care workers were on zero hour contracts; and 1 in 3 staff either moved between jobs or left the adult social care sector in 2018/19.
- Our best estimate is that there has been a further 24% fall in the number of people receiving **community-based services** since 2013/14, although a change in recording practices in 2014/15 makes it difficult to be precise. This has particularly affected older people.
- The intensity of care by **unpaid carers** has increased. One third of the UK's 4.1 million adult carers provide 35 hours or more of care per week, with worsening consequences for their health and financial circumstances.
- Two out of five older people living in the most deprived fifth of areas did not receive any help when needed with at least one Activity of Daily Living such as washing or dressing, more than twice the rate of **unmet need** among those living in the least deprived areas.

10.1 Aims and goals

The Conservative majority government took over from the Conservative-LibDem Coalition in May 2015 after five years of cuts in real spending on adult social care. The Care Act 2014 gave the government new powers to raise the capital means-test threshold and introduce a lifetime cap on care costs, partially addressing long-standing inequities arising from the highly restrictive means-test for social care.

The three Conservative manifestos during this period chart a course of rowing backwards: from an assumption in 2015 that the problem of adult social care funding had been solved by the Care Act 2014 (never implemented), through a new proposal for reform in 2017 (quickly withdrawn), to an announcement in 2019 that, “We need a long-term solution for social care” – with no specific propositions attached.

10.2 Policy developments

Despite the focus of all three manifestos on reform, policy action in the period 2015 to early 2020 was principally about the implementation of existing policies to improve services.

Organisation and delivery of care

National minimum need eligibility criteria were implemented. The potential for more person-centred and holistic assessments was welcomed by the social work and care professions but in the context of increasing needs and a continued squeeze on budgets, many felt it was a “false prospectus” (Whittington, 2016, p. 1958). Part of the squeeze was produced by above-inflation increases in the wages of careworkers through the National Living Wage from April 2016 onwards – itself a welcome improvement – not being matched by increases in local authority budgets in a context of rising demand. Meanwhile improved support for unpaid carers was not delivered. Carers UK reported in 2019 that 27% of carers had had an assessment or a review in the last 12 months, compared to 31% in 2016. Statutory carers’ leave was not enacted.

Drip feed of additional funding

Powers for local authorities to charge an additional 2% (later raised to 3%) on Council Tax to pay for adult social care were announced in November 2015. Announcements of ‘extra’ funding through a variety of ring-fenced grants (the Improved Better Care Fund, (Adult) Social Care Support Grant, Disabled Facilities Grant, and Winter Pressures) followed on an ad hoc basis, although the Adult Social Care Support Grant turned out to be a reallocation of New Homes Bonus funding already destined for councils.

Health and social care integration

£9.2bn of planned spending was pooled between the NHS and LAs by 2019/20 in the Better Care Fund, up from £5.6bn in 2015/16 in real terms. This was brought about through a combination of voluntary arrangements, increased minimum required contributions by Clinical Commissioning Groups, and nearly all of the increase in central government social care funding over the period being channelled through pooled budgets. Compared to estimated total public spending on social care of £19.1bn in 2019/20, the pooled budget is now substantial (not all spent on social care). However at a national level the integration agenda has been driven by the imperative to relieve pressure on the NHS rather than to deliver person-centred care. At a regional level, the Greater Manchester Health and Social Care Partnership is the largest of a range of initiatives underway. Both NAO and the Public Accounts Committee raised doubts about the national integration strategy, commenting on the difficulty of building

and sustaining joint arrangements when both sectors are under significant financial pressure, an observation that is also relevant regionally and locally.

Brexit

Migration Advisory Committee (2020) modelling of the government's proposed post-Brexit immigration system estimated it would produce a reduction in the social care workforce of 3% (with substantial regional variation), as a result of most care workers earning below the earnings threshold which would be newly applied to EEA migrants. However MAC argued against special exemption for care workers on the grounds that the underlying problem is one of low pay for skilled work, and under-resourcing of the sector, rather than immigration restrictions – advice the government appears to have accepted, without addressing the underlying problem identified.

10.3 Public expenditure

Local authority revenues

Public spending on social care is largely through local authorities (LAs). There has been a significant shift during this period towards ring-fenced revenue. Figure 28 shows that whilst there was £4.5bn of additional ring-fenced funding for adult social care in 2019/20 compared to 2015/16, general revenues (for all purposes, not just social care⁴⁵) have fallen by £5.8bn⁴⁶ (12.7%) over this period. Within general revenues, LAs serving more deprived populations are more dependent on central government grant funding because they have less scope to raise revenue through local taxation (including the social care precept). Central grant funding per head of population nearly halved between 2015/16 and 2019/20⁴⁷.

Local authority spending

Gross current expenditure on adult social care increased in nominal terms from 2016-17 onwards (Figure 29 grey line), but the corresponding increases in real terms (purple line) were less dramatic. Moreover, these increases followed a prolonged period of spending cuts. Real spending in 2018/19 recovered only to 2013/14 levels and remained 4.3% below the peak in 2009/10.

Estimated total public current expenditure

Public expenditure on adult social care is higher than indicated by gross current expenditure by LAs because some spending is funded by the NHS. On the other hand, user charges should not be counted as part of public spending, since this is clearly spending by individuals. Total public current expenditure stood at £19.1bn in 2018/19. This is an increase of 6.9% since 2014/15 in real terms, a larger increase than in gross current expenditure by LAs alone (solid grey line in

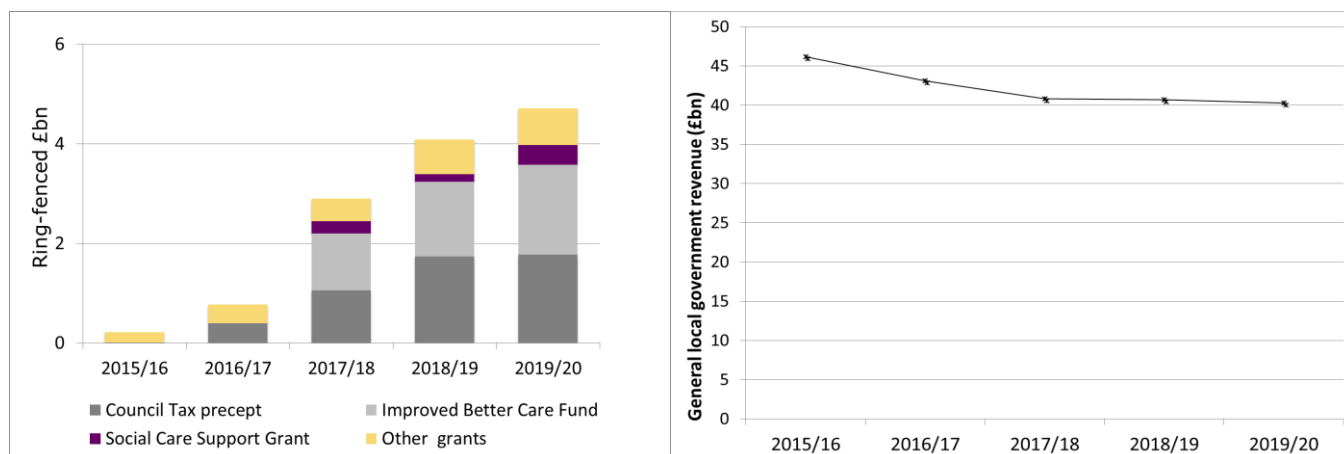
⁴⁵ Including retained business rates and council tax, excluding social care precept.

⁴⁶ Authors' calculations using amounts from the MHCLG (2019), adjusted using the GDP

⁴⁷ From Harris, Hodge and Phillips (2019). Figures exclude income for education, public health, police, fire and rescue, and national park services.

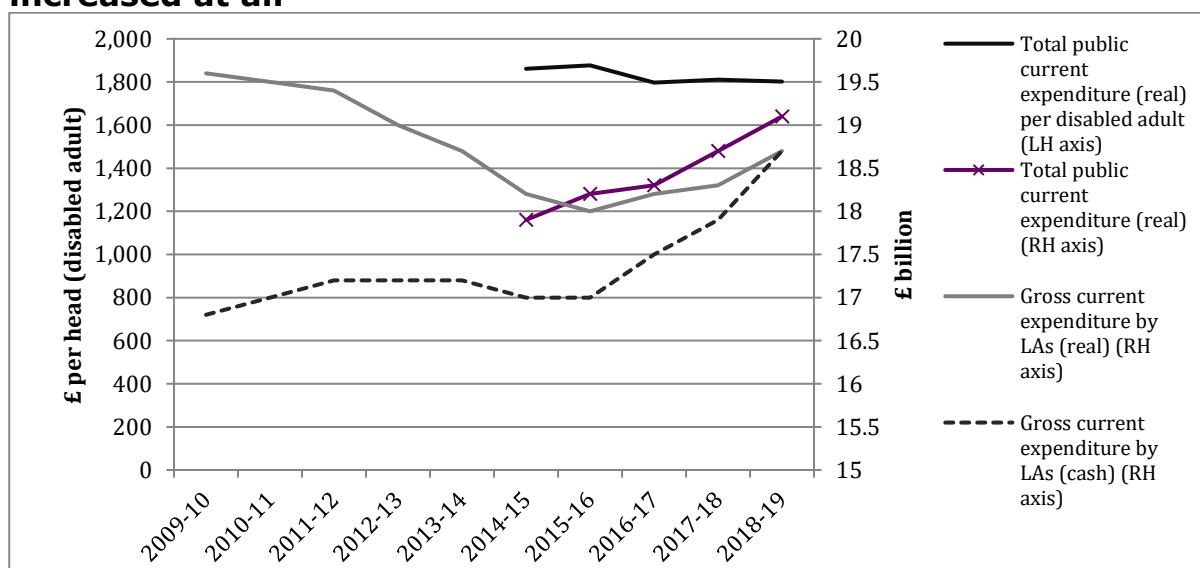
Figure 29). This reflects the growing emphasis on health and social care integration, but also reminds us that around a quarter of the much-heralded increase in spending on the NHS has been diverted to pooled health and social care budgets, and it should not be counted twice.

Figure 28 Ring-fenced grants for Adult Social Care have increased (left panel), while general Local Government revenue has fallen (right panel) 2015/16 to 2019/20 (in 2018/19 prices)



Source: Authors' calculations using nominal figures from MHCLG (2019), NAO (2018a), Cromarty et al (2019) and GDP deflators from October 2019 (HM Treasury, 2019)

Figure 29 Increases in total public spending on adult social care since 2014-15 are greater than increases in spending by local authorities alone, but spending per disabled adult in the population has not increased at all



Source: Authors' calculations using NHS Digital (2019), Better Care Fund accounts (NHS England, 2018), GDP deflators are from October 2019 (HM Treasury, 2019b); Family Resources Survey; population estimates are from ONS (2020b)

Trends in social care spending need to be understood in the context of the changing population it serves. The population aged 80 or over, the age group with the highest rate of need for social care, was 7% larger in 2018/19 than in 2014/15, and 17% larger than in 2009/10 (authors' calculations using ONS population estimates). Moreover, the working age disabled population was also growing over this period, especially people with mental illness. Estimated total public spending on adult social care per disabled adult (aged 20 and over) in the population fell by 3.2% between 2014/15 and 2018/19 (Figure 29 top line, left-hand axis).

10.4 Outcomes

What were the inputs?

Care workers

An estimated 1.65 million people worked in public and private adult social care in England in 2019 (Skills for Care, 2020), employed by local authorities and by the 7,800 independent organisations providing residential care and 10,500 organisations providing non-residential in England 2019/20. Real-terms increases in the statutory minimum wage since April 2016 have substantially improved the hourly pay of the lowest paid care workers (from £6.10 to £8.72 p/h in April 2020).

However, according to Skills for Care workforce estimates:

- the wage distribution of care workers has become increasingly compressed at the bottom, with 1 in 3 (28%) of independent-sector care workers paid *at* the minimum wage in March 2019, compared to 1 in 6 three years earlier.
- staff turnover is high and increasing; just under 1 in 3 (32%) staff either moved between jobs or left the adult social care sector in 2018/19.
- an estimated 1 in 3 care workers (both local authority and independent-sector including agency staff) were on zero hours contracts in 2018/19, a proportion that has not changed since 2012/13 when data were first collected.

LA budgets finance a substantial proportion of the overall care sector and as we have seen these did not increase in accordance with increases in the minimum wage and in demand. This squeeze has forced care providers to find other economies, including through continued pressure on care workers' terms and conditions. Many local authorities and independent care providers were warning, even prior to the pandemic, that the settlement was unsustainable.

Unpaid carers

Estimates from the Family Resources Survey show that in 2018/19 there were 4.5 million adults in the UK providing unpaid care (both inside and outside their households), representing around 7% of the adult population. The number of carers fell by 0.4 million over the period since 2010/11, but the intensity of care

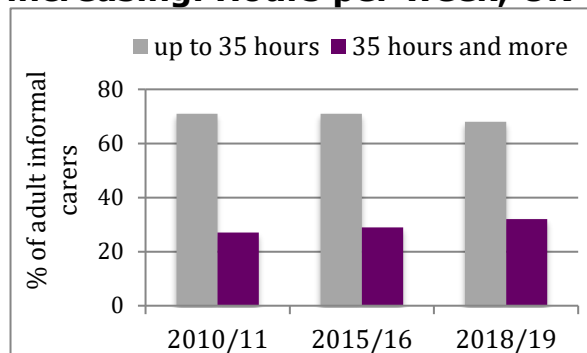
has risen. The proportion of carers who provide 35 hours of care or more a week increased from 27% to 32% between 2010/11 and 2018/19 (Figure 30).

Most adults who provide informal care are aged 50 or over (authors' analysis of FRS data) and the UK maintains its place among the OECD countries as having one of the highest rates of care provision among people of that age when comparing 2010 and 2017 figures (OECD, 2013, 2019c). These findings together with the fact that caring has intensified, means that the UK social care system as a whole continues to rely very heavily on inputs from unpaid care.

What were the outputs?

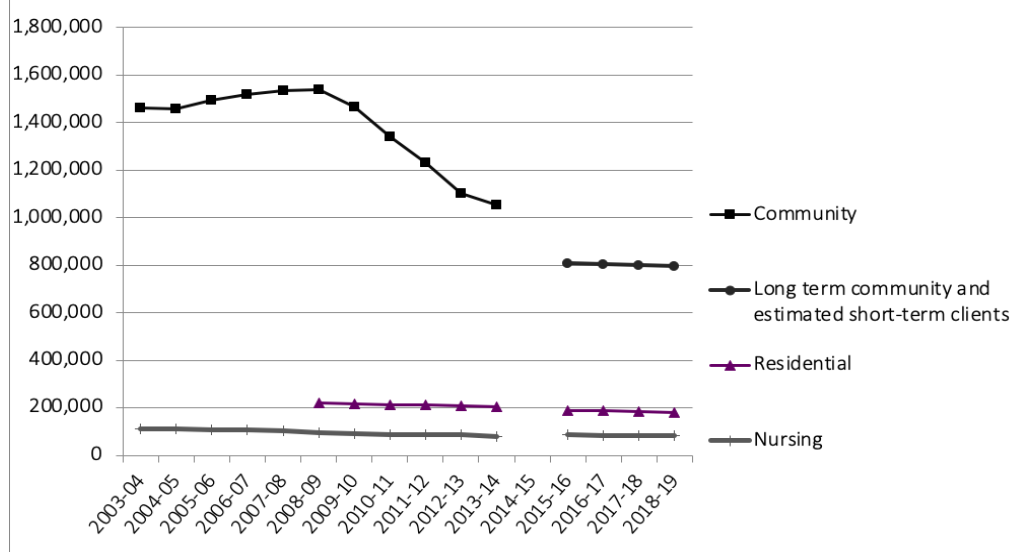
The decline in the total number of adults that received community and residential care services arranged or paid for by local authorities started in the last year of Labour administration, in 2009/10, and accelerated in the 5 years that followed (Figure 31). During that time the fall in the number of service users was particularly sharp for the community-based services. This trend has continued into the current period. Our best estimate is that there has been a further 24% fall in the number of people receiving community-based services since 2013/14, although a discontinuity in recording practices in 2014/15 make it difficult to be precise. Changes since 2015/16 have been slower, consistent with the stabilisation of spending, but still on a downward trajectory. The number of people receiving community based services (both long-term and short term) fell by 1.5%, whilst the number of adults receiving care in residential and nursing homes fell by 5%.

Figure 30 Intensity of care provided by informal carers is increasing. Hours per week, UK



Source: DWP (2020; 2017; 2012), Table 5.3, 'Carers data tables'

Figure 31 The number of people receiving adult social care support from local authorities within a year continued to fall, although at a slower rate from 2015/16 onwards. By type of setting, 2003/04 to 2018/19



Source: Authors' calculations using NHS Digital (NHS Digital, 2016, 2017, 2018, 2019) and HSCIC (2014). Break in the series due to change in recording practices. 'Estimated short-term clients' is authors' estimate based on average duration of spells.

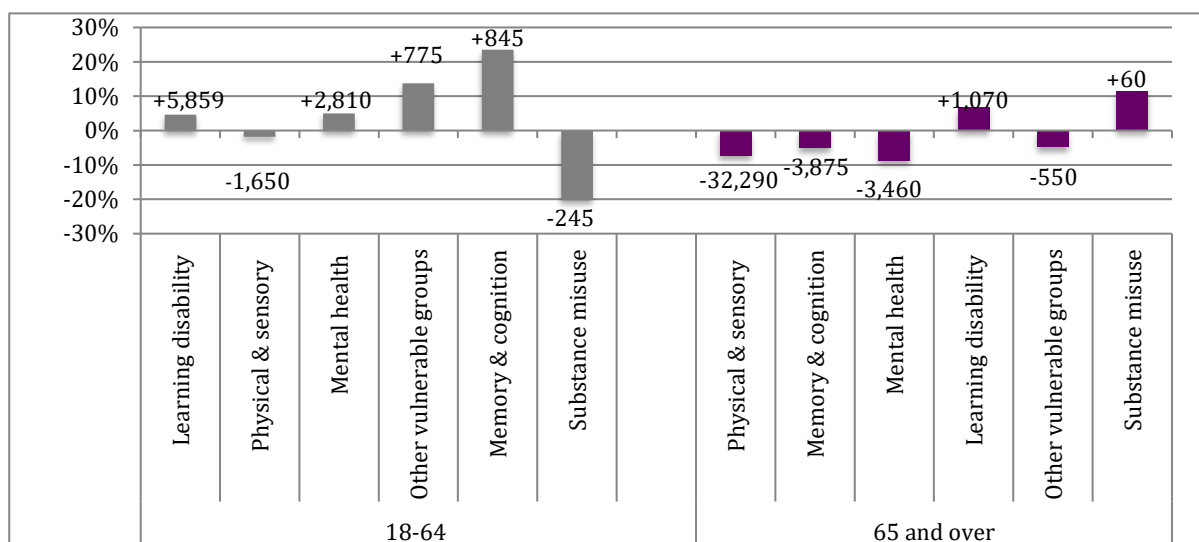
Support received by age group

Long-term care accounts for the majority of support provided by adult social care services. The overall fall of 3.5% between 2015/16 and 2018/19 in the number of adults receiving long-term (LT) support during the year conceals contrasting trends for the over-65s and working age adults (Figure 32): 6.6% fewer clients aged 65 and over received LT support by the end of the period, whilst 2.9% more 18-64 year olds did so.

The 'physical and sensory' and 'memory and cognitive' need categories account for 88% of older people receiving LT support, and there were reductions of 7.2% and 5.2% respectively in the number of recipients in these categories. The number of older people receiving long-term support for mental health, the next largest group, also fell by 8.8%, representing 3,460 people. The high and increasing proportion of working age adults with mental health disabilities in the population have been met with a small increase in LT mental health support, but this does not restore the levels of support provided at the start of the decade.

Since 2015/16 there was an overall increase in LT care provided to working age adults and in the number of ST episodes of care completed among this age group. This is in stark contrast to a fall in the number of adults aged 65 and over receiving LT support, particularly those with physical and sensory needs, and the fall in the number of ST episodes of care completed for this age group. This is a worrying trend, as the number of older people receiving LA funded social care has been now falling consistently for a decade (Burchardt, Obolenskaya and Vizard, 2015).

Figure 32 The largest absolute decline in the number of adults receiving long-term support was among over-65s with physical and sensory primary support needs, while the largest percentage decline was among working age adults with substance misuse. Change (percent and absolute) in the number of adults receiving long-term support in the year by primary support reason, 2015/16 to 2018/19



Source: Authors' calculations using NHS Digital (2016, 2019). Notes: The primary support reasons are ordered from the highest number of people to the lowest in 2018-19, for each age group. A left-right hierarchy on the original ordering determines which support reason is recorded when more than one reason applies. The original order (combined into fewer categories by the authors) is: 1) physical and sensory, 2) memory and cognition; 3) learning disability; 4) mental health; 5) substance misuse; 6) other vulnerable adults.

What were the outcomes?

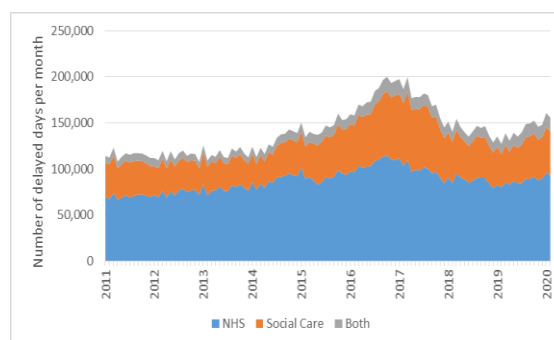
Safety and quality

- Nearly 100,000 instances of safeguarding risk for vulnerable adults were confirmed in 2018/19. There was a strong age gradient in risk, with 1 in 40 adults aged 85 or over the subject of a safeguarding enquiry, ten times the rate for the adult population as a whole.
- 1 in 6 social care services inspected were deemed by Care Quality Commission to be 'inadequate' or to 'require improvement' in 2019.
- However, overall satisfaction of care users with care and support remained stable at around 64%, according to the Social Care Users Survey. (This reflects only the views of those able to access services).
- Satisfaction of care users aged 75-84, and for those aged 85 or over, was 3 percentage points lower than average for all care users.
- Satisfaction of Black or Black British, and Asian or Asian British care users, was 9 and 10 percentage points lower than average, respectively.

Effectiveness

- 15% of emergency admissions to hospital in 2018 were for conditions that could be prevented by effective community care (known as Ambulatory Care Sensitive Conditions, ACSCs). This was similar to the proportion of emergency admissions in 2014, but the total *number* of ACSC spells increased by 23% over this period.
- Patients who live in the most deprived tenth of areas have 1.5 times more ACSC spells than average.
- Delayed transfers from hospital peaked in October 2016 and began to rise again in the last part of 2018 (Figure 33). In February 2020, they stood at 155,717 days, 16% higher than February 2015 shortly before the Conservative majority government took office, and 39% higher than in February 2011 (earliest comparable data).

Figure 33 Delayed transfers of care began to rise again in the last part of 2018. Number of delayed days per month, by responsible organisation, January 2011 to February 2020.



Source: NHS England (2020)

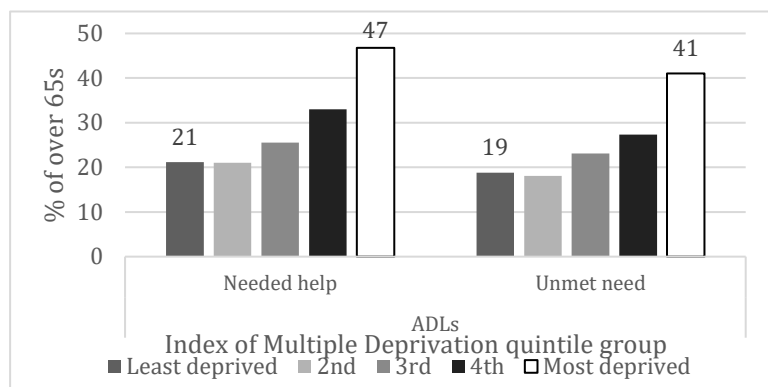
Outcomes for unpaid carers

- At 39%, carers' satisfaction with services (both for themselves and for the person they look after) in 2018/19 is much lower than care users' satisfaction. Moreover this indicator had fallen by 4.5 percentage points since 2012/13.
- Satisfaction among Black or Black British carers was 7 percentage points lower than average.
- Younger adult carers, and those caring for people with learning disability or mental health needs, expressed much lower levels of satisfaction than others.
- Carers were also increasingly likely to report financial difficulties and health problems affected by caring. In 2018/19 fewer than 1 in 10 carers *did not* experience a health condition affected by their caring role.

Unmet need

There is a paucity of evidence on unmet need among working age adults. Among older adults, rates of unmet need remain high and have a strong social gradient (Figure 34). Two out of five older people living in the most deprived fifth of areas did not receive any help with at least one Activity of Daily Living (ADL) with which they needed help, more than twice the rate of unmet need among those living in the least deprived areas. Nearly half (48%) of women aged 80 or above have an unmet need for help with one or more ADL.

Figure 34 People aged 65 or over living in the most deprived areas are twice as likely to need help and to have unmet need than those living in the least deprived areas. England, 2018



Source: Health Survey for England 2018, social care in older adults data tables (NHS Digital, 2019g)

Notes: 1. Data have been age-standardised. For more information see HSE 2018 Methods report. 2. Unmet need is defined as needing help but not receiving any help in relation to at least one ADL in the last month.

10.5 Conclusions and policy challenges looking forward

Strengths and weaknesses on the eve of the pandemic

Policies

Sustained emphasis on health and social care integration was a key strength, backed by increased funding channelled to pooled budgets. Institutional architecture to support joint planning and accountability bodes well for the future. However the emphasis in centrally-directed integration on reducing pressure on healthcare played out badly in the early stages of the response to COVID-19, when patients were discharged into care homes without testing (Hodgson *et al.*, 2020). Social care needs to be positioned as an important partner in achieving the overall objective of promoting life and quality of life, not as the handmaiden of the NHS (Daly, 2020).

Significant policy effort was expended on efforts to reform the capital means-test for publicly funded social care, despite a consensus on an alternative already having been established in 2014. Arguably this preoccupation distracted from making faster progress on improving models and quality of care, which could have enhanced the resilience of social care ahead of the COVID crisis.

Spending

Social care entered the pandemic with more resources than it would have done had the pandemic hit five years earlier – a salutary thought-experiment. But real-terms increases in funding (+6.9% if spending by the NHS is included) were offset by higher input costs and rising demand, and the way in which some additional revenue has been raised generates equity concerns between more and less deprived areas.

Inputs

The long-standing reliance of social care on a dedicated but low paid, insecure, under-valued and under-trained workforce (perpetuated by chronic under-

funding of public social care), distributed across a plethora of independent, competing organisations, had a direct and damaging impact on the sector's ability to respond effectively to the pandemic. The low status of care workers may also have contributed to their high COVID mortality rate: twice that of other adults by June 2020.

Outputs and outcomes

Social care on the eve of the pandemic was also heavily dependent on unpaid carers who had already acted as 'shock absorbers' for cuts in formal service provision. There was a large stock of unmet need for care, especially among women in the oldest age groups and those living on low incomes and in deprived neighbourhoods. COVID public health measures heaped yet further demands on already exhausted carers - evidence of the impact on them is only just beginning to emerge - and lockdown policies carried forward the assumption that carers would 'just cope'.

Policy challenges for the 2020s

The continuing impact of the coronavirus pandemic on adult social care should provide an opportunity to reset the policy debate. Flaws in the way social care is positioned and understood, in the level of public funding available, in the fragmented institutional structures through which it is delivered, and in the outcomes it is able to achieve have been pitilessly exposed. We identify four interlinked challenges.

- 1. Recognition,** for paid carers, unpaid carers, and the contribution of the sector as a whole. This includes tackling the 'sticky floor' of the National Living Wage, reforming employment conditions to eliminate zero-hours contracts, providing consistent health and safety protection, and more opportunities for training with qualifications. For unpaid carers, one-third of whom were providing full-time care even before the pandemic: to make good on commitments to improve and extend services for them as well as for the people they care for, and to increase and index link both the rate of Carers' Allowance and the earnings threshold.
- 2. Coordination,** internally among the 18,000+ organisations providing care, laterally between care commissioners and providers (as has begun to occur within healthcare), and externally between health and social care, with a genuinely person-centred focus, and parity between the sectors.
- 3. Adequacy,** in terms of resources and quality. Recent increases in spending have not yet fully reversed austerity. The current government rhetoric of 'levelling up' could help to address shortfalls in deprived areas if translated into spending increases. But an additional £8.1bn per year would be required by 2023/24 to restore 2010/11 levels of service provision (Gershlick *et al.*, 2019) - and 2010/11 was no paradise in terms of the reach or adequacy of services. Moreover, with 1 in 6 services being rated as inadequate or in need of improvement, and nearly 100,000 cases of safeguarding risk confirmed in 2018/19, the need to enhance service quality is self-evident.

4. Equity, addressing inequalities by ethnicity and age among service recipients (substantially lower satisfaction among Asian and Asian British, and Black and Black British recipients); and by age, gender and socio-economic status among non-recipients (nearly half of women aged 80+ have an unmet need for help with one or more ADL; unmet need is twice as high among older people in the most deprived neighbourhoods). Recognition of the social gradient in need for care and in unmet need is in its infancy compared to the now-widespread acknowledgement of the social determinants of health.

Recognition, coordination, adequacy and equity are closely inter-linked challenges for the future of adult social care in England that need to be tackled together, as a matter of urgency, to ensure that this long-neglected corner of the welfare state is fit for purpose in the 2020s and beyond.

11 Physical safety and Security: Policies, spending and outcomes 2015-2020 – Kerris Cooper and Nicola Lacey

In terms of safety and security policy by means of criminal justice reform, the Conservatives made commitments in both their election manifestos to focus on reducing domestic violence, to increase efficiency and reduce corruption in prisons and to review the law on hate crime. Like many other policy areas progress has undoubtedly been hindered by the focus on Brexit as well as the impact of austerity. Since 2015, we found that:

- There have been important policy plans and developments in the Ending Violence Against Women and Girls Strategy which set out a range of preventive and protective measures and coercive controlling behaviour has become a criminal offence.
- Other important policy developments include the Serious Violence Strategy which proposed a multi-agency public health approach to reducing violence.
- In relation to 'race' and the criminal justice system (CJS) the Lammy Review produced 35 recommendations.
- The Prison Safety and Reform Review also set out planned improvements to prison standards.
- Overall expenditure on public order and safety per capita was stable between 2014-15 and 2019-20, though this was following a previous period of significant decline in spending.
- There is some evidence of short-term deterioration in policy inputs and outputs so far: police clear up rates have declined, prisons have become less safe for both prisoners and staff and the time taken to charge on domestic abuse related cases has increased over the last three years. Domestic violence homicides have reached a five-year peak and knife crime continues to rise.
- The cumulative effects of disinvestment in criminal justice policies and related areas such as health, housing and youth services will further inhibit the ability to take the multi-agency holistic approach required to tackle many of the most serious problems including interpersonal violence and violence against women. It also meant safety and security policies were weak on the eve of the pandemic.
- The ongoing challenges of Coronavirus will likely further exacerbate the problems of previous disinvestment. Already the risk of domestic violence has increased and there have been problems of disproportionality in the policing of the pandemic.

11.1 Aims and goals

We have three party manifestos to draw on during this period with some common themes:

One clear focus is that of domestic violence. In 2015 this took the form of pledging to 'ensure a secure future for specialist FGM and forced marriage units, refuges and rape crisis centres', as well as specialist training in this area and a new Victims' Law to enshrine the rights of victims. In the 2017 manifesto the Conservative government committed to new laws to protect victims of domestic violence. In 2019 the party pledged to pass the Domestic Abuse Bill and pilot integrated domestic abuse courts.

A second theme is prisons and community sentences, focusing on efficiency with the 2015 manifesto promising to close old inefficient prisons and replace them with larger modern ones, as well as tackle corruption, drug use and mobile phone use in prisons. In the 2017 manifesto, commitments were made to reform both prisons and community sentences. The 2019 manifesto promised 10,000 more prison places, a prisoner education service focused on work-based training and skills and a job coach in each prison to improve employment opportunities for ex-offenders and to improve prison security.

Both the 2015 and 2017 manifestos made a commitment to review the law in relation to hate crime and to extend its scope to include disability, sexual orientation and transgender identity, though this commitment was not included in 2019.

In 2019 the manifesto outlined plans to address youth offending by investing in youth services, alternative provision schools and Secure Schools for offenders. The party also planned to introduce new laws to 'require schools, police, councils and health authorities to work together through Violence Reduction Units to prevent serious crime'. Finally, the party committed to increase police powers to use stop and search.

11.2 Policy developments

There has been a lot of policy development during this period:

Serious violence

The Conservative government published a Serious Violence Strategy in April 2018, acknowledging the complex and multifaceted nature of the problem and the need to coordinate efforts across different agencies. The strategy includes an £11m investment in an Early Intervention Youth Fund and the establishment of a National County Lines Co-ordination Centre. However, this funding has to be shared across more than 400 local authorities and takes place in the context of large educational and local authority cuts, as well as rising rates of school exclusion. In 2018 it was announced that £200 million would be invested in a Youth Endowment Fund to tackle youth offending⁴⁸. In 2019 the government launched a consultation on introducing a new legal duty to support a multi-

⁴⁸ <https://youthendowmentfund.org.uk/>

agency approach to preventing and tackling serious violence (Home Office, 2019a) and announced an additional £50million funding for the areas worst affected to help tackle violent crime, in addition to funding to set up Violence Reduction Units⁴⁹.

Violence against women and girls

In December 2015 for the first time 'coercive or controlling behaviour' was made punishable by up to five years in prison. This followed the criminalisation earlier in the same year of 'revenge pornography'. In 2017 the government announced it was scrapping legal aid restrictions for victims of domestic violence, after reports that the cuts had had a substantial impact on the number of victims withdrawing their complaints. Also in 2017 the Preventing and Combating Violence Against Women and Domestic Violence (Ratification of Convention) Act 2017 was passed to ratify the Istanbul Convention on combating violence against women. In 2017-18 the Home Office and Ministry of Justice held a consultation on domestic abuse, following on from the Ending Violence Against Women and Girls Strategy (VAWG) 2016-20. The consultation was followed in early 2019 by the publication of a Domestic Abuse Bill. The Bill defines domestic abuse and preserves the consultation's recognition of the need for multi-agency co-ordination. Among its other provisions are a bar on the cross-examination of victims by their abusers; the appointment of an independent Domestic Abuse Commissioner to tackle the issues across government; protection orders compelling offenders to take rehabilitation programmes; and a new legal duty on councils to provide secure accommodation for those experiencing domestic abuse.

Prisons

In 2016 the MOJ review *Prison Safety and Reform* was published outlining reforms for the provision of adequate prison standards, a more empowering framework for governors, better safety and an improved estate as well as better training and support for staff. Notwithstanding these policy aspirations the combination of overcrowding and budgetary constraints has led to a decline in standards of safety, security, health, hygiene, order and basic decency within prisons as highlighted in increasingly critical reports by the Prisons Inspectorate. This included a prison riot in Birmingham in 2016, prisoner escapes, and the Minister of Justice's decision to impose direct MOJ control and install an entirely new team of management and staff at Birmingham; as well as the issuing of an urgent protocol on the state of HMP Bedford in 2018 and a large scale walkout of prison staff in protest at levels of violence within prisons in September 2018. In 2019 the Government announced that it would spend up to £2.5 billion to create 10,000 prison places, at the same time putting on hold plans to close old prisons (Beard, 2019).

A major renationalisation of the probation system was announced in May 2019, following the poor performance of the twenty-one 'Community Rehabilitation

⁴⁹ <https://www.gov.uk/government/news/home-office-allocates-51-million-to-police-forces-for-increased-action-on-knife-crime-ahead-of-easter-weekend>

Companies' that were contracted to handle the sentences of those convicted of less serious offences. In early 2019 the National Audit Office reported a 47% rise in the proportion of the relevant offenders being recalled to prison, and additional cost to the taxpayer of £467 million as a result of a poorly calibrated system of payment by results.

'Race' and the Criminal Justice System

An independent review of the treatment of BAME individuals in the CJS was led by David Lammy MP and published in September 2017. The review highlights the racial disproportionality in policing practices and high levels of distrust in police and lawyers which inhibit arrangements such as plea bargains and contribute further to disproportionate outcomes. It makes a number of policy recommendations, many of them relating to better coordination between the CJS and other services at the local level, placing a burden of proof on CJS institutions to justify disproportionate outcomes. The Government responded to the review by making several recommendations and the MOJ has since published two updates with a commitment in 2018 to embed a dedicated MOJ team to coordinate work on ethnic and racial disparity in the CJS and review action on each of Lammy's 35 recommendations. In February 2020 a second update was published taking stock of further progress against the recommendations and outlining ongoing work by the MOJ, Home Office and Race Disparity Unit to address mistrust in the CJS (Ministry of Justice, 2020).

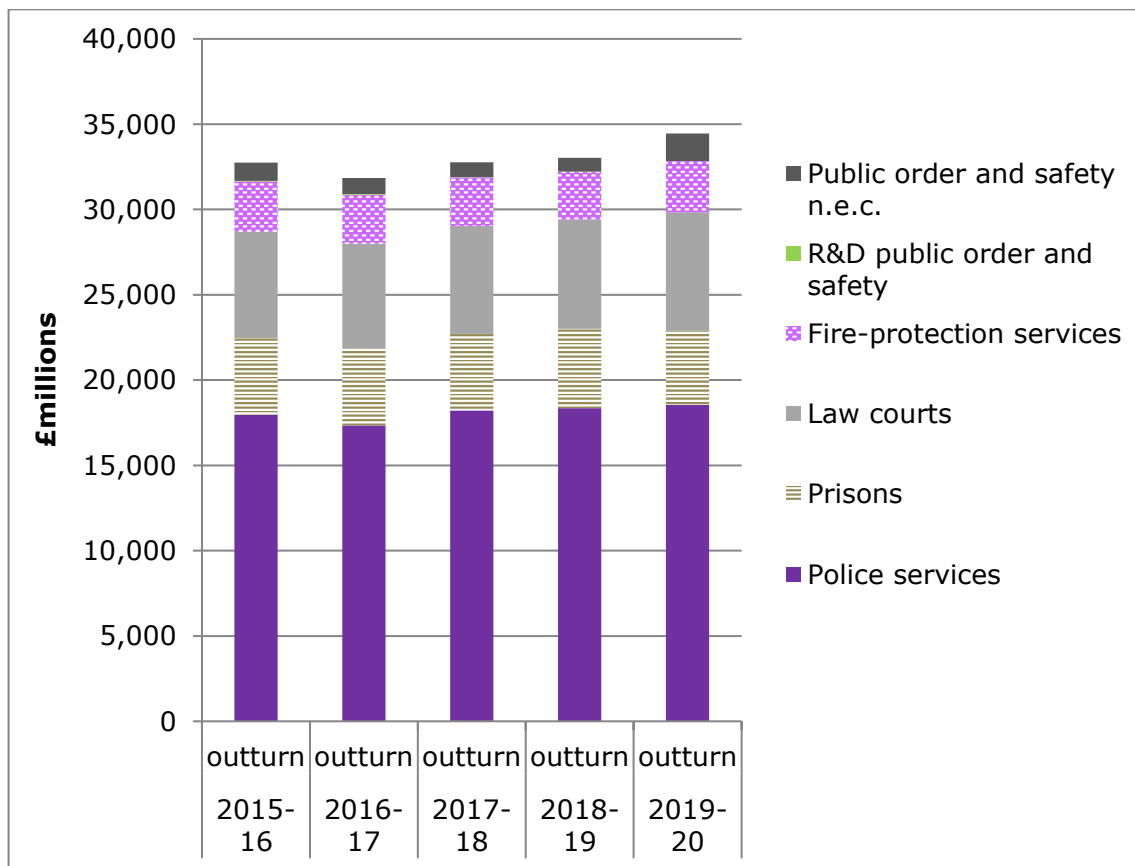
Hate crime

There has been no legislative change in relation to hate crime. The 2016 action plan against hate crime was updated in 2018, partly prompted by a rise in hate crime around specific events such as the Westminster Bridge terrorist attack. The report emphasises online crime and promises a White Paper to tackle it. In addition there is increased emphasis on offences against the LGBTQ community. In 2018 the Law Commission launched a comprehensive reassessment of the adequacy of the definition and scope of the law on aggravated offences, looking for example at the option of extending their reach to cover factors such as disability and transgender. The category of hate crime is being steadily expanded, with the Law Commission's current review including crime motivated by misogyny, misandry and ageism. However, senior police figures have argued that police do not have the resources to treat misogyny as a hate crime and should instead prioritise tackling violence.

11.3 Public expenditure

Overall expenditure on public order and safety saw a 5.5% increase in the total real terms expenditure between 2014-15 and 2019-20 (Figure 35), though per capita expenditure was stable with an increase of only 0.2% over the whole period. Importantly, this follows on from a period of marked decline in expenditure from 2009-10 to 2013-14 (Cooper and Lacey, 2019).

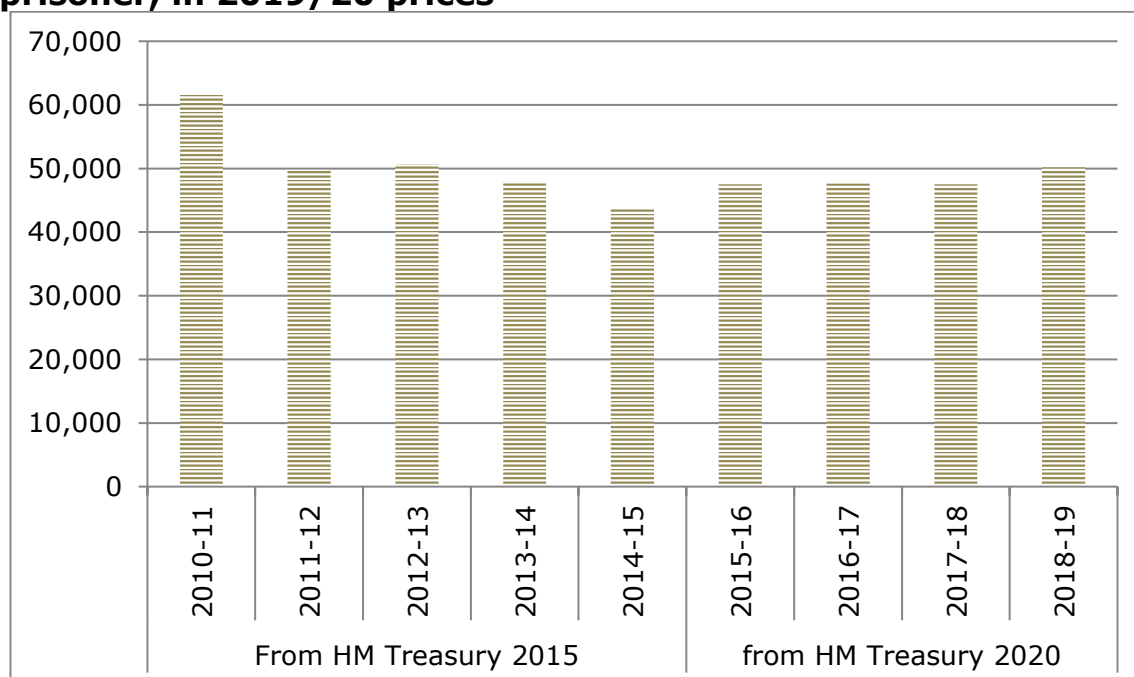
Figure 35 Total identifiable expenditure on public order and safety in the UK, in 2019/20 prices



CASE calculations using (HM Treasury, 2020c) Table 5.2; GDP deflators from same PESA release

The previous decline in real terms spending saw central government grants for police fall by over 20% in total between 2010-11 and 2014-15, so the flattening out of expenditure started from an already lower base compared to the Coalition government period. This decline in central government grants for police has had an uneven impact on different areas, with some areas more able to offset these reductions with increases in the police precept within the council tax. In the Spring 2019 Statement the Chancellor promised an additional £100 million funding for police forces in areas worst affected by violent crime. This has been welcomed by senior police figures but still falls well short of the £200-300 million police chiefs asked for. Additionally the 2019 Spending Review included a commitment to fund the recruitment of 20,000 new police officers, as well as a 5% real terms increase in MOJ funding and an extra £80m for the Crown Prosecution Service.

Figure 36 Real terms expenditure on prisons in England and Wales, per prisoner, in 2019/20 prices



Source: CASE calculations based on (HM Treasury, 2015a): for years 2010-11 to 2014-15 (Table 5.2); (HM Treasury, 2020c) for figures 2015-16 to 2019-20 (Table 5.2). GDP deflators from (HM Treasury, 2020c). Prisoner population from (Sturge, 2020), UK Prison statistics.

Spending on prisons was cut by 3.6% between 2015-16 and 2019-20. However, spending per prisoner increased in 2018 (Figure 35), due to a decrease in the prison population in that year. Despite this, in 2018-19 spending per prisoner was still below 2010-11 levels.

Assessing the resources dedicated to addressing violence against women is difficult as women's refuges for instance are funded from a variety of sources. There is evidence that the £80m announced in the refreshed VAWG strategy (£20m per year over the remainder of parliament) has not benefitted all local authorities equally, with huge variation in the amount of funding per head of the population and some 50 local authorities received nothing. Again looking further back, local authority funding for domestic violence refuges has declined by 24% since 2010, with poorer areas faring worse. In addition to the ring-fenced VAWG funding, in the Spring 2017 budget the Government announced an additional £20 million funding over two years for services addressing domestic violence, though the Women's Budget Group cautioned that this falls well short of the level of funding required to meet existing need.

As safety and security depends on social policies beyond those specific to the CJS, austerity measures across other policy areas are also relevant. Cuts to local authority budgets have meant a decline in spending on youth services between 2010 and 2019, resulting in the closure of 160 youth centres and loss of around 900 youth workers. According to the Women's Budget Group central government

funding for local government fell by 30.6% in 2017/18, leaving less money available for a range of local government services. The funding of third sector organisations has also been affected by austerity. These wider cuts are important and will be likely to inhibit potential progress of the strategies and funding that have been dedicated to e.g. addressing violent crime and violence against women.

11.4 Outcomes

What has been the short term impact of Conservative spending and policies?

It is too soon to assess the medium to long term impact of the Conservatives' spending and policies since 2015. Moreover, establishing causal relationships in an area where so many policies are relevant to outcomes is fraught with complication. We can however summarise a number of relevant concrete outcomes over the short term.

Fewer police officers

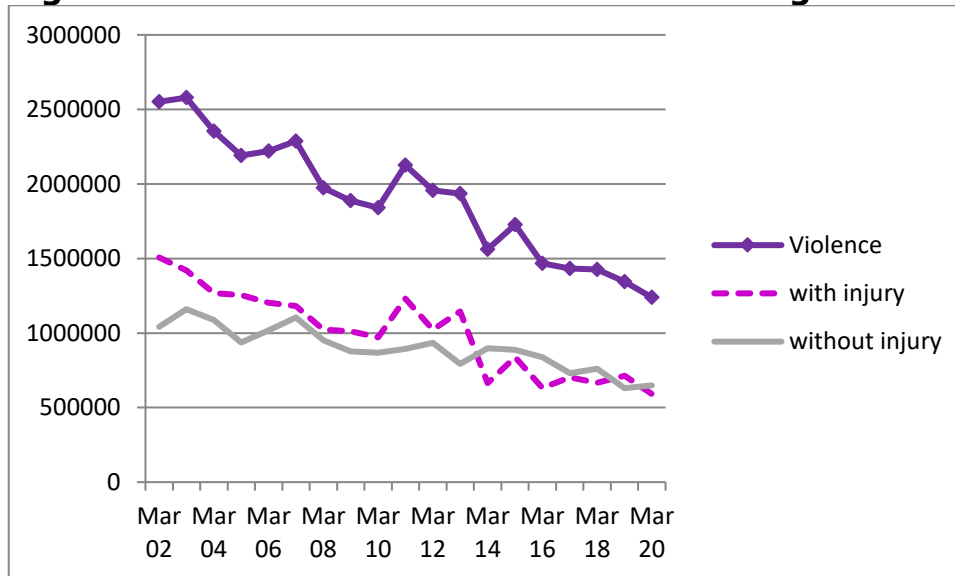
There are now fewer police officers than there were in the late 1990's, with spending cuts unevenly distributed across police authorities. It is difficult to assess precisely the impact of the reduced work force as at the same time demands on police time have changed, with an increase in online crime and an increase in the amount of time police spend dealing with non-criminal matters such as mental health. There is also evidence that clear up rates have declined between 2015 and 2018. Additionally a recent report found that there were not always enough officers available to respond to domestic abuse cases as quickly as they should. There is evidence police have responded to resource constraints by taking a less proactive approach, focusing on the most serious incidents. Some senior officers have suggested the decline in police numbers has been a contributing factor to the ongoing rise in knife crime, though the complexity of the factors at play mean it is difficult to test this.

A flattening out of overall violent crime and worsening knife crime

After long-term decline in overall violent crime there has been no significant change in the number of violent incidents since March 2016 according to estimates from the Crime Survey for England and Wales (Figure 37). Police recorded crime provides a reliable measure of less common but high harm offences including knife crime. According to police records knife related crime has continued to rise since 2014, with the highest number of incidents in the year to March 2020 since records began in 2011 (Figure 37). Homicide had also been increasing between 2015 and 2018, though the latest available data from the homicide index shows a decline in 2019 (Figure 38), driven by a decline in homicide for male victims while the number of female victims increased (Office for National Statistics, 2020d). Ethnic inequalities in homicide have also worsened since 2015/16: the homicide rate was 24 times higher for Black people

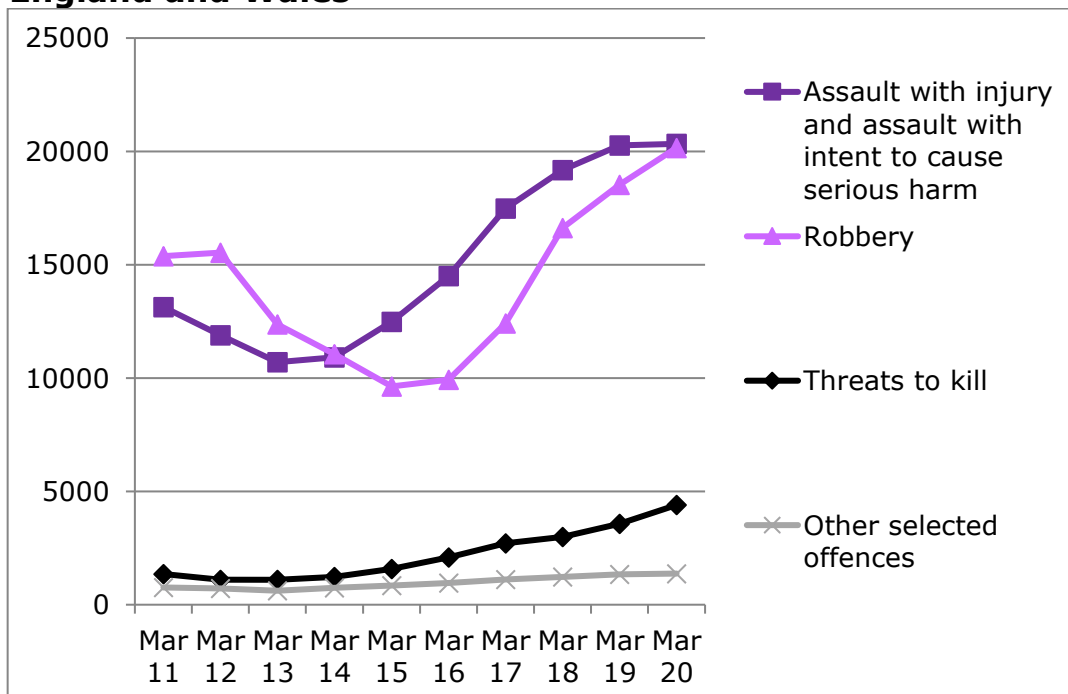
aged 16-24 compared to their White counterparts in 2018/19 (Kumar, Sherman and Strang, 2020).

Figure 37 Number of violent incidents in England and Wales



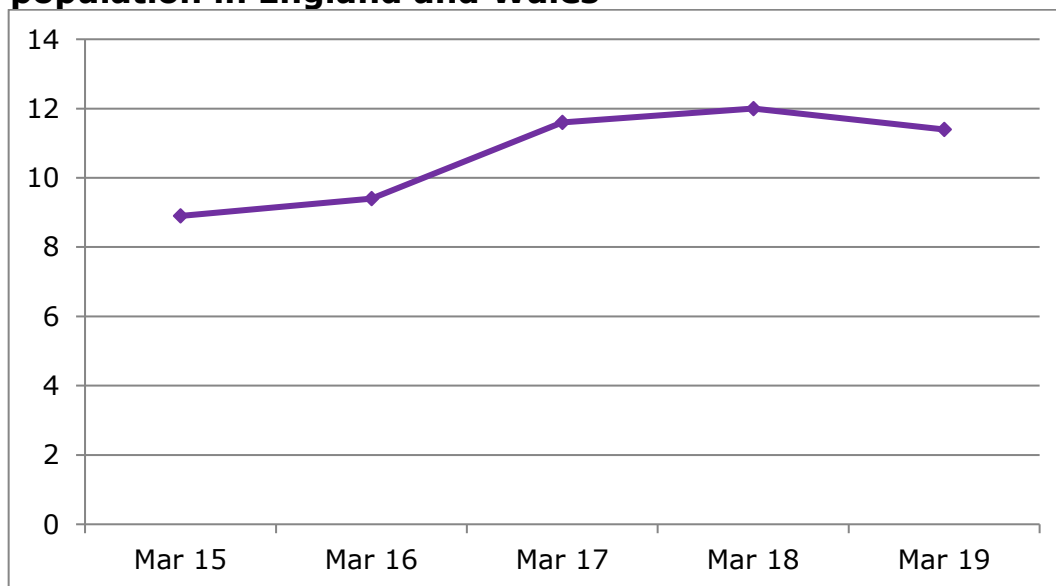
Source: based on Crime Survey for England and Wales published in (Office for National Statistics, 2020a) Figure 5

Figure 38 Number of offences involving knives or sharp instruments in England and Wales



Source: based on police recorded crime published in (Office for National Statistics, 2020a) Figure 7. Notes: 1. 'Other selected offences' include rape, attempted murder, homicide and sexual assault. 2. Data from Greater Manchester Police are excluded to allow for comparison over time

Figure 39 Homicide Rate: number of homicide offences per million population in England and Wales

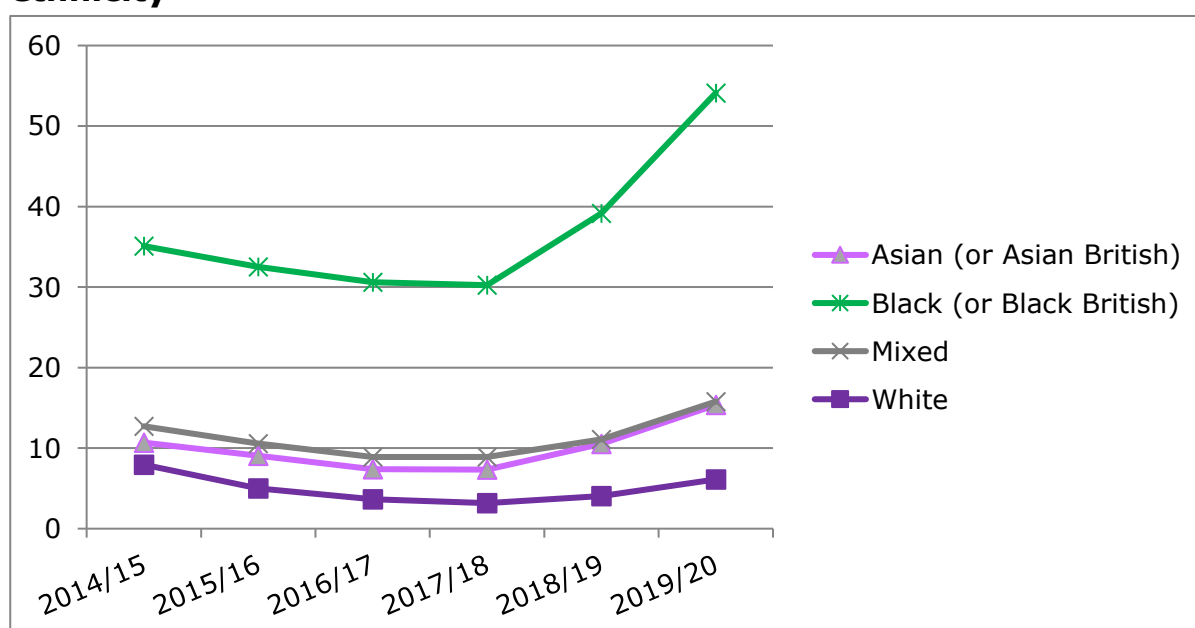


Source: based on police recorded crime published in (Office for National Statistics, 2020d)
Figure 1

An increase in ethnic inequalities in stop and search

For the first time since records began in 2010-11 stop and searches per 1,000 of the Black population increased in 2018-19, resulting in greater disproportionality. This reversal of previous progress comes despite the Lammy Review highlighting the significance of disproportionate stop and search practices contributing to the lack of trust in police felt by Black and other ethnic minority communities.

Figure 40 Stop and searches per 1,000 population, by self-defined ethnicity



Source: (Home Office, 2020) Table SS_12

Less safe and overcrowded prisons

Funding restrictions have seen the number of prison officers as well as levels of prison officer experience decline. The prison population in England and Wales continues to be well above official capacity, and overcrowding continues to be a problem despite slight improvements since 2017, with higher overcrowding rates in private prisons. Youth imprisonment is a welcome exception to this trend, with significant and continued declines in the youth custody rate. Prisons have become more dangerous with violence against prisoners and staff continuing to increase. In terms of rehabilitation the number of prisoners completing accredited courses has declined by 22% since 2014/15.

New legal protection but a reduction in services for women experiencing abuse and indications violence against women is worsening

Although there is new legal protection against coercive control, the time taken to charge on domestic abuse related cases has increased in the last three years and rates of prosecution, charges and convictions for rape are at a record ten year low. At the same time cuts in funding for women's refuges have reduced the services available for women, with around 30% of referrals declined due to lack of capacity. Police data indicates a 32% increase in domestic killings of adults in the UK last year bringing it to a five-year high of 173, with three quarters of the victims being women (Swann, 2019).

11.5 Conclusions and policy challenges looking forward

Physical safety on the eve of the Coronavirus pandemic

On the eve of the pandemic, years of disinvestment and lack of appropriate maintenance of the prison estate had left 60% of prisons overcrowded in December 2019 and 41% of prisons needing major repair or replacement in the next three years to remain operational (National Audit Office, 2020a). Living conditions for prisoners had significantly deteriorated and prisons have become less safe for both prisoners and staff. Knife crime was rising and at the highest level since records began in 2011, and ethnic inequalities in homicides worsened, with young Black people aged 16-24 years experiencing a risk of homicide 24 times higher than their White peers. Domestic homicides had reached a five year high, whilst the criminal justice response to domestic abuse and rape had weakened, and women's refuges had faced severe cuts. The lack of funding as well as lack of investment in related policy areas such as health and housing, had undermined the effectiveness of the holistic and multi-agency approaches planned to address violent crime. In the area of 'race' and the criminal justice system there was a worsening in the disproportionality with which stop and search was being applied. There were therefore already major concerns and worrying trends in physical safety and security before the onset of the pandemic.

Physical safety during the Coronavirus pandemic

The COVID-19 crisis exacerbated some existing inequalities in relation to physical safety and security and has impacted on each of the five key focus areas: 'Race' and the criminal justice system; Prisons; Hate crime; Interpersonal

violence; Violence against women and girls. Whilst individuals from a Black or ethnic minority background have been more exposed to the negative impacts of Coronavirus, recent data has revealed how fines for breaking lockdown rules have been disproportionately applied to Black and Asian people⁵⁰. The prison system, which was already over-crowded is facing unique challenges during the pandemic, with the difficulties of social distancing restricting activities with the Chief Inspector of Prisons describing the vast majority of prisoners 'locked up for nearly the whole day with usually no more than half an hour out of their cells' (Beard, 2020). In relation to the third focus area, hate crime directed at people from South and East Asian communities has been reported to have increased by 21% during the Coronavirus crisis⁵¹. In relation to violence whilst the restrictions on people's movements during lockdown are likely to have led to a decline in some forms of violent crime (National Police Chiefs' Council, 2020), the risk of domestic violence increased, as indicated by calls to domestic abuse services and tragically a higher rate of domestic abuse killings, including children (Home Affairs Committee, 2020). We therefore expect that the risk of violence, already shared unequally between different groups (Cooper and Obolenskaya, forthcoming), will have shifted further. This area is of course impossible to divorce from other related policy areas and outcomes; as the effects of the pandemic continue we expect increasing levels of unemployment and hardship, as well as worsening mental health (Fancourt, forthcoming), which also increase the risk of violence. Finally, it is significant to note that the framework for enforcing coronavirus restrictions depends heavily on criminalisation and policing, giving rise to additional concerns about unequal social impact.

Additional policy challenges looking forward

Looking forward to the 2020's the government faces six main policy challenges in relation to safety and security.

- First, Brexit is likely to remain key to the context in which policy develops, and to exacerbate the economic constraints on safety and security policies, as well as exacerbating social conflict and diverting policy attention. Additionally Brexit may make it harder to combat serious organised transnational crime, if cooperation and data sharing with Europe around matters of security is not maintained.
- Knife crime continues to increase and the public health approach outlined in the Government's Violence Reduction Strategy will require significant resources as well as multi-agency coordination. Relatedly the increase in violence against women comes against the background of a reduced police force as well as reduced refuge services for women which again would require investment to reach unmet need. It is also likely that the problem of county lines drug markets has been exacerbated by disinvestment in youth services.

⁵⁰ <https://www.bbc.co.uk/news/uk-england-london-52905787>

⁵¹ <https://www.theguardian.com/world/2020/may/13/anti-asian-hate-crimes-up-21-in-uk-during-coronavirus-crisis>

- New types of online crime are also becoming more prevalent and require a new approach to policing and potentially additional resources.
- Prison safety and overcrowding remains at crisis point with serious consequences for both prisoners and staff. Improving conditions and training again is likely to require additional resources.
- Addressing racial disparities in the CJS is a continued challenge, with recent evidence showing racial disproportionality of stop and search has increased in London. This is likely to become more significant, as previous restrictions to stop and search (following evidence of unfairness and inefficiency) have been removed and it is now taking a central place in policing tactics to reduce knife crime, with the government proposing the introduction of Violence Reduction Orders which would allow police officers to stop and search people with previous convictions for violent offences without 'reasonable grounds'.
- The cumulative effects of disinvestment not merely in policing and other criminal justice policies but, perhaps more importantly, in the health, housing, youth services, social care and other areas bearing on safety and security pose a significant challenge. This will further inhibit the ability to take the multi-agency holistic approach required to tackle many of the most serious problems including interpersonal violence and violence against women.

Conclusions

The Conservative record on physical safety and security can be characterised in two contrasting ways. On the one hand this period has seen important policy developments: The Serious Violence Reduction Strategy aims at taking a more holistic approach to addressing violent crime, recognising the complex factors at play and accompanied by ring-fenced funding. Similarly, the government has created new legal protections for those experiencing abuse and its Violence Against Women and Girls Strategy sets out a range of preventive and protective policies. The government has also expressed a commitment to addressing the issue of 'race' and the criminal justice system, with a commitment to review progress made against the recommendations from the Lammy Review. However, these positive policy developments have not yet been accompanied by adequate resources and the cumulative impact of austerity has inhibited policy inputs and outputs. There is evidence of a deterioration of outcomes in terms of violence and specifically violence against women, as well as racial disproportion in police practices such as stop and search. A reduced police force, reduction in refuge services and overcrowded and under-staffed prisons are all a cause for concern that the planned policy developments are divorced from the reality of what is possible to achieve with restricted resources. Ongoing and future challenges posed by Brexit divert policy attention as well as resources and exacerbate these problems further. The challenges that were already evident and have been exacerbated by the Coronavirus pandemic, are challenges which the disinvestment of the last decade – a disinvestment not merely in policing and other criminal justice policies but, perhaps yet more importantly, in the health,

housing, youth services, social care and other areas bearing on safety and security – will only deepen.

12 Homelessness/Complex Needs from May 2015 to pre-COVID 2020: Policies, Spending and Outcomes – Suzanne Fitzpatrick and Glen Bramley

England, Scotland and Wales have followed distinctive policy paths on homelessness in the post-devolution period, generating divergent spending and outcomes profiles. We found that:

- Manifestos are a poor guide to what Governments actually do on homelessness once in office, with interventions often extending beyond election promises in reaction to rising levels of rough sleeping in particular.
- In England, post-2010 Westminster Governments implemented a combination of deep social security cuts and a hands-off 'Localism' policy that left local authorities struggling to cope with a growing homelessness problem.
- From 2017 onwards, the Conservative Government attempted to take a renewed grip of the issue, supporting rough sleeping interventions and new prevention-focused legislation, with early positive impacts.
- Specialist homelessness funding pots in England come nowhere near compensating for massive reductions in core local government budgets over the period.
- Wales has recently distanced itself from the English approach, protecting revenue funding for homelessness services and strengthening its homelessness legislation. Key tenets of this (successful) Welsh legislation were adopted by England in 2017.
- Scotland, uniquely, extended rehousing entitlements to single homeless people in the post-devolution period. National policy now focus on the 'rapid rehousing' of homeless people and 'Housing First' provision for those with complex support needs.
- Across the UK, a substantial minority of single homeless adults have complex support needs, associated with substance misuse and offending. These issues are, like homelessness itself, systematically related to poverty.
- Alongside poverty and changes in social security entitlements, the key systemic driver of homelessness is shortfalls in affordable housing supply.
- Nonetheless, targeted homelessness reduction policies can have dramatic (positive) impacts, most recently witnessed in the success of the early COVID-19 response to those at risk of rough sleeping.

12.1 Aims and goals

We have election manifestos from three different ruling political parties, across three different jurisdictions, to take into consideration in understanding political goals on homelessness since 2015.

England – the Conservatives’ aims and goals

The 2015 Conservative Manifesto had little to say on homelessness, remarking only that the party would look to scale up a specialist financing initiative (‘social impact bonds’ (SIBs)) in this and other social policy areas. However, the 2017 Conservative Manifesto contained ambitious new policy goals with respect to rough sleeping: to halve it by 2022 and eliminate it altogether by 2027. The 2017 Manifesto also noted the party’s commitment to ‘full implementation’ of The Homelessness Reduction Act, passed shortly before the 2017 snap election, and to piloting the innovative ‘Housing First’ approach for homeless people with complex support needs. The 2019 Conservative Manifesto effectively reaffirmed these 2017 commitments, albeit that its promise to ‘*end the blight of rough sleeping by the end of the next Parliament*’ indicated that the 2027 deadline had been brought forward to 2024 (COVID-19 has subsequently intervened in dramatic fashion, see below).

Wales – Labour’s aims and goals

The Labour Party Manifesto for the National Assembly for Wales elections in 2016 confined itself to making only an obscure link between tackling youth homelessness and using ‘every opportunity’ to bring empty homes back into use.

Scotland– the Scottish National Party’s aims and goals

The SNP Manifesto for the Scottish Parliamentary elections in 2016 ostensibly devoted a substantial section to homelessness. However, much that was included under the rubric of ‘homelessness’ in fact related to older and disabled people’s housing, and general dispute resolution between landlords and tenants. The only commitments that were genuinely homelessness-specific pertained to temporary accommodation, and specifically to capping the length of time that homeless families with children and pregnant women could stay in B&B hotels. A further commitment, to restore Housing Benefit for 18-21year olds, was rendered redundant by the UK Government’s U-turn on this policy.

12.2 Policy developments

The modesty, even lameness, of most election commitments on homelessness since 2015, with the exception of targets on rough sleeping in the 2017 Conservative Manifesto, contrasts sharply with the reality of some really quite dramatic homelessness policy shifts in all three GB jurisdictions in the period in question.

In other words, GB Governments generally did *more* rather than *less* on homelessness than they promised at elections since 2015. This likely indicates the relatively low political salience of homelessness as a vote winner (or loser), certainly at national level. It also reflects the predominantly reactive rather than

proactive nature of policy making in this area, with Governments generally prodded into action by ballooning numbers of street homeless people in particular.

We summarise below what ruling parties actually did on homelessness once they assumed power.

England – the Conservatives' policies

The last Labour administration bequeathed a largely positive legacy on homelessness to the incoming Coalition Government in 2010, including major reductions in both rough sleeping and statutory homelessness. Immediately on coming to power, however, the 2010 Government abandoned this national policy focus on homelessness, instead committing to a 'Localist' stance, legislated for in the Localism Act 2011, that signalled the retreat of central government from this policy space to allow local authorities, charities and faith groups to play a bigger role. Effectively, this meant that there were no national policy objectives or strategic direction on homelessness between 2010 and 2015.

David Cameron's Majority Conservative Government, elected in 2015, continued the Coalition's hands-off Localist stance, investing only in small-scale, highly targeted homelessness initiatives (such as rough sleeping 'SIBs'). However, in 2017, the Theresa May-led Conservative administration, stung by official criticisms of its "*light touch*" approach to the growing homelessness crisis, reinstated a pro-active central government role in tackling the problem.

First, it supported the passage of The Homelessness Reduction Act 2017 (HRA 2017), which started life as a Private Members Bill, coming into force in April 2018, with 'new burdens' funding of £72.7million. The HRA 2017 introduced a range of local authority prevention and relief duties owed to *all* eligible households which are homeless or at risk, regardless of 'priority need' status (the criterion which has traditionally excluded single people from material assistance under the homelessness legislation). As the HRA took its main inspiration from earlier prevention-focussed legislation passed in Wales (see below), it is a key example of policy mobility in the post 2015 period. While an official evaluation of HRA 2017 is ongoing, early feedback from local authorities emphasised the positive 'culture' change it had brought about, especially with regard to the treatment of single homeless people.

Second, and speaking directly to the policy goals set out in the 2017 Manifesto, the May Government published a national Rough Sleeping Strategy (RSS) in 2018, which was backed by new funding of £76million. Amongst other things, the RSS foregrounded the Government's existing commitment to three major 'Housing First' pilots. A Rough Sleeping Initiative (RSI), linked to the RSS, funded a range of practical interventions including "Somewhere Safe to Stay" pilots, intended to rapidly assess the needs of people who are sleeping rough or at risk, and "Navigators", employed to help coordinate access to local services for people who sleep rough. "Supported Lettings" and "Local Lettings" schemes targeted on people at risk of sleeping rough were also funded. An internal

evaluation of the RSI has claimed success, in that a (modest) drop in rough sleeping numbers at national level (2%) between 2017 and 2018 was disproportionately high (19%) in those areas which have received RSI funding.

Wales – Labour's policies

The 1999 devolution settlement gave limited legislative powers to Wales, and for more than a decade thereafter both homelessness law and policy continued to closely follow that in England. However, in recent years there has been considerable independent policy activity on homelessness in Wales. The two most significant developments in the post-2015 period are summarised below, neither of which, interestingly, were mentioned in the 2016 Labour Manifesto for the National Assembly for Wales.

First, making early use of enhanced devolutionary powers, Part 2 of the Housing (Wales) Act 2014 (HWA 2014), which came into force in April 2015, implemented a radical overhaul of Welsh homelessness legislation. This new legislation introduced an emphasis on earlier intervention and pro-active assistance for households who are 'threatened with homelessness', as well as homelessness 'relief' duties, that applied regardless of 'priority need'. An independent evaluation found an "*overwhelming consensus*" that this new statutory homelessness framework ushered in a more preventative, person-centred and outcome-focused approach on the part of Welsh local authorities.

Second, in summer 2019, the Welsh Government set up an independent Homelessness Action Group with a remit to 'end homelessness in Wales'. This Group made a series of recommendations on both immediate and longer-term actions to address rough sleeping, such as increased assertive outreach services, improved access to support services, and expanded access to emergency accommodation. Future reports will focus on the delivery of 'rapid and permanent rehousing' and 'joined-up local partnerships' to prevent, tackle and end homelessness in Wales.

Scotland – the SNP's policies

Homelessness policy and law in Scotland has diverged significantly from that in the rest of the UK throughout the post-devolution period, most notably in extending statutory rehousing entitlements to single homeless people.

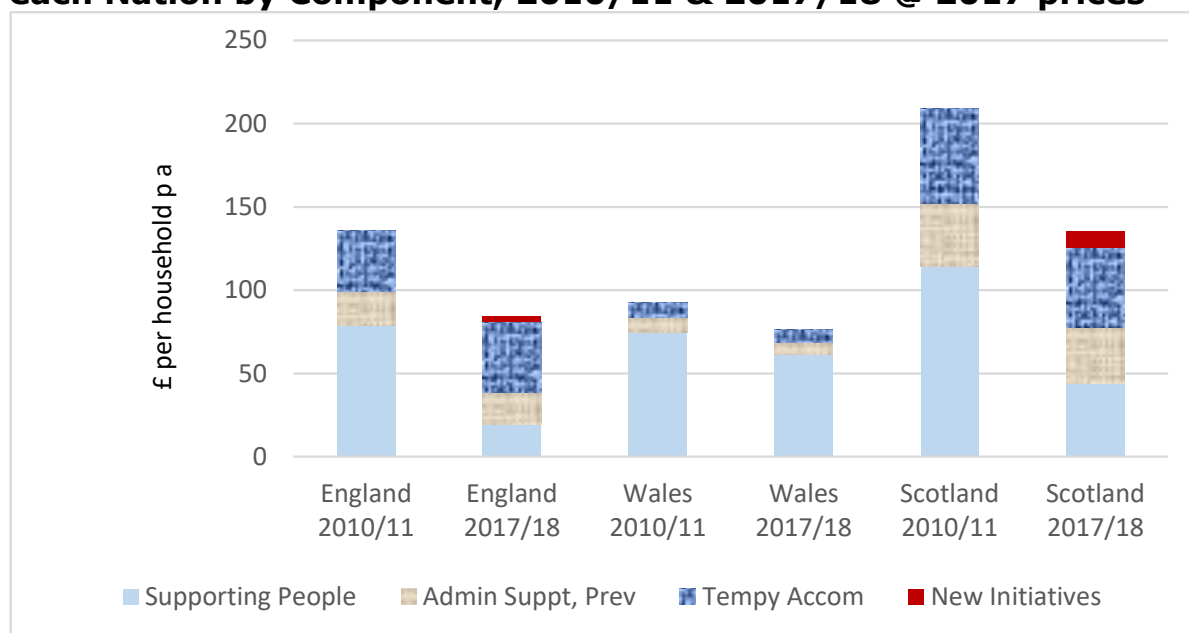
The Scottish Government tightened regulations on the use of B&B for homeless families, as promised in their 2016 Manifesto, extending the same protection to homeless single people very recently. Much more significant than these rather narrow commitments, though, was the announcement in the September 2017 Programme for Government of "*a clear national objective to eradicate rough sleeping in Scotland and transform the use of temporary accommodation*". A short-life Homelessness and Rough Sleeping Action Group (HARSAG) was subsequently appointed by the First Minister, alongside the announcement of additional homelessness expenditure of £50million over the following five years.

HARSAG published four reports over the course of 9 months, containing 70 recommendations. All of these were accepted in principle by the Scottish Government and captured in some shape or form in its *Ending Homelessness Together Action Plan*, published in November 2018. Key mechanisms for the implementation of the HARSAG recommendations include local authority five-year 'Rapid Rehousing Transition Plans', and a national Housing First Scotland pathfinder programme focused on the five Scottish cities. A new prevention duty was also recommended by HARSAG, along the lines of the revised legislation already introduced in England and Wales and is being pursued via an independent review group.

12.3 Public expenditure

It is not straightforward to get precise expenditure numbers for homelessness-related services across the three GB countries. However, the spending categories which can be reasonably attributed to homelessness are shown in Figure 41. Across GB, expenditure on these items totalled about £2.4bn in 2017/2018. As Figure 41 makes clear, overall current expenditure has fallen in all three jurisdictions over the period considered, although the fall was more muted in Wales (18%) compared with the drop of 38% in England and 35% in Scotland.

Figure 41 Current Homelessness Related Spending per Household in each Nation by Component, 2010/11 & 2017/18 @ 2017 prices



Sources: Authors' calculations based on: CIPFA Financial & General Statistics Budget Estimates (annual); Welsh Government Local Government Finance Budgeted Revenue Expenditure by service detail (annual) (2019); Scottish Government Local Government Financial Statistics Non-HRA Housing Detail (annual); Thunder & Rose (2019); ONS Census 2011 and modelled household estimates from Bramley (2019).

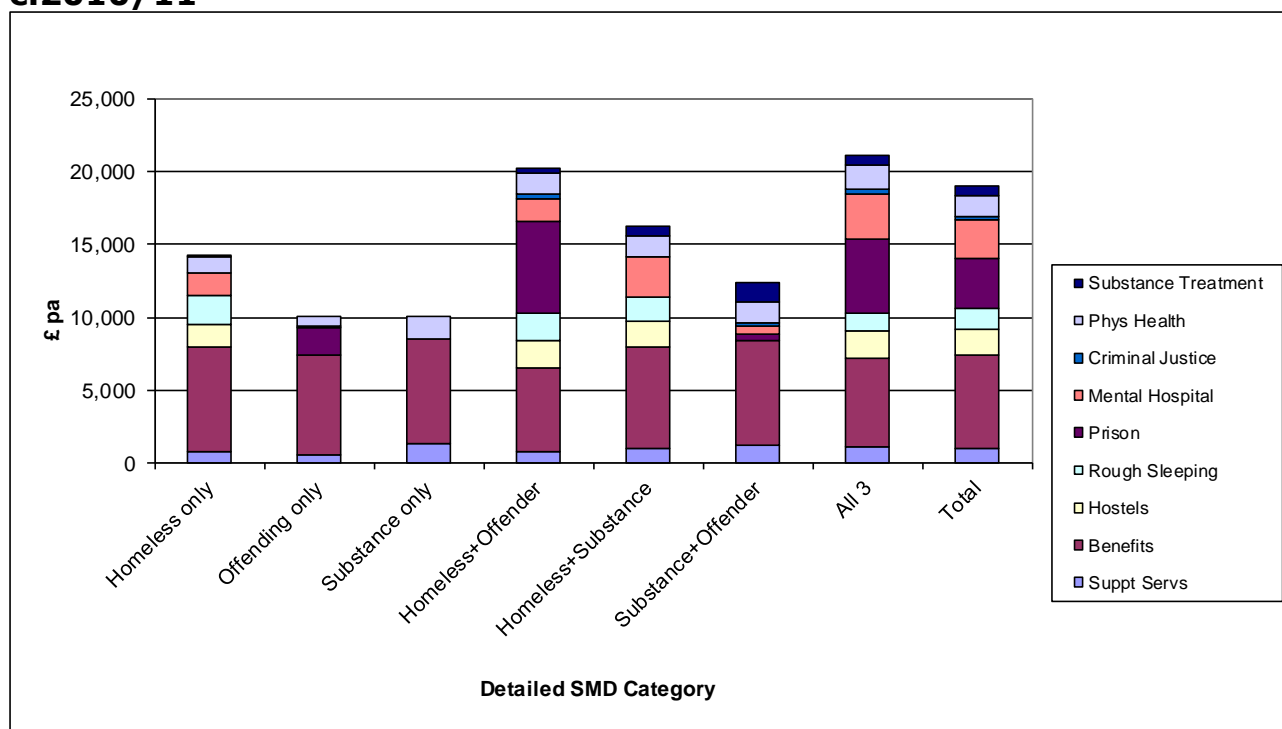
The composition of the spending has also changed, again differentially across the three GB countries. Particularly critical here is the Supporting People (SP) funding stream, introduced, in April 2003, to fund housing support services for single homeless people and other vulnerable groups. SP lost its 'ring-fencing' in England in 2009 and hence was vulnerable to very considerable cutback in this

period of strong austerity which disproportionately affected local authorities in the poorest areas. By contrast, Wales maintained the ring fence and the programme was subject to only modest cuts. In Scotland, SP was never so clearly separately identified, and also suffered significant reductions, again doubtless reflecting the tight budget constraints on local authorities.

Expenditure on temporary accommodation is essentially demand-led, and thus English local authorities were forced to spend more in this area post-2010 as homelessness pressures increased (see below). New initiatives with spending pots attached get a lot of publicity in the homelessness sector, but as Figure 41 underlines these made very little impact on the overall level of current spending.

Another way of looking at 'expenditure' on homelessness is to focus on the reactive costs incurred by a range of public services responding to the problems presented by the substantial minority of single homeless people (we estimate around 30%) who have complex support needs associated with substance misuse and/or engagement in the criminal justice system.

Figure 42 Composition of Annual Public Spending per Adult Affected by Complex Needs (Homelessness, Substance Misuse, Offending), c.2010/11



Source: Bramley et al. (2015) *Hard Edges* report, derived mainly from the 'Multiple Exclusion Homelessness' Survey

Note: the categories of combinations of experiences (horizontal axis) are based on whether people had 'ever experienced' each problem.

Figure 42 suggests that, for this complex needs population, total public expenditure on relevant costs is around 4-5 times the benchmark of £4,600 per adult in the general population for the same range of services. The data in this analysis was used to provide a grossed-up cost of £4.3bn for the population with

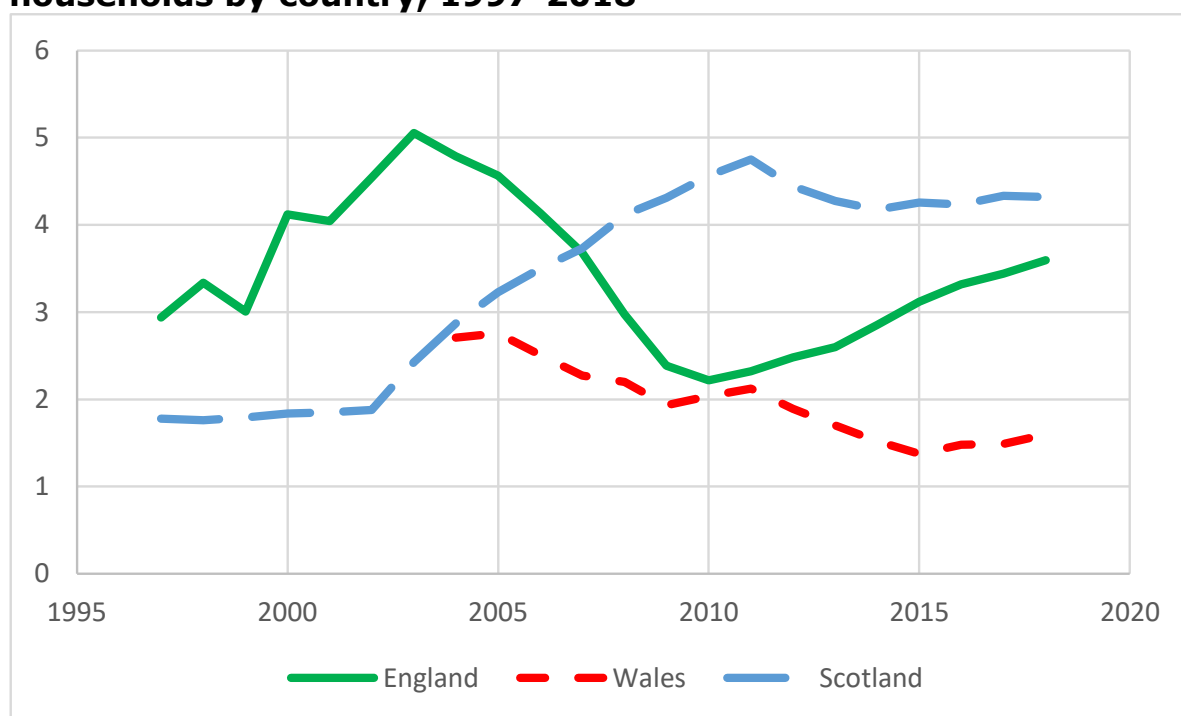
two or three of the relevant disadvantages, and a figure of £10.1bn for the wider complex need population with one or more of these disadvantages (all figures referring to England in 2010/11).

There is strong evidence that these additional support needs, and the costs associated with them, are systematically related to long-run impacts of poverty and sustained economic decline, including heightened levels of mental ill-health, substance misuse, crime and violence in affected communities.

12.4 Outcomes

It is instructive to compare homelessness outcomes across GB in order to assess the relative impacts of the differing policy approaches. There are a number of statistical indicators that one could choose to accomplish this, none of them ideal. Figure 43, however, captures one useful indicator - the number of homeless households accommodated in temporary accommodation at a point in time – which helpfully reflects outflows from the statutory homelessness system as well as inflows.

Figure 43 Households in Temporary Accommodation per 1000 households by country, 1997-2018

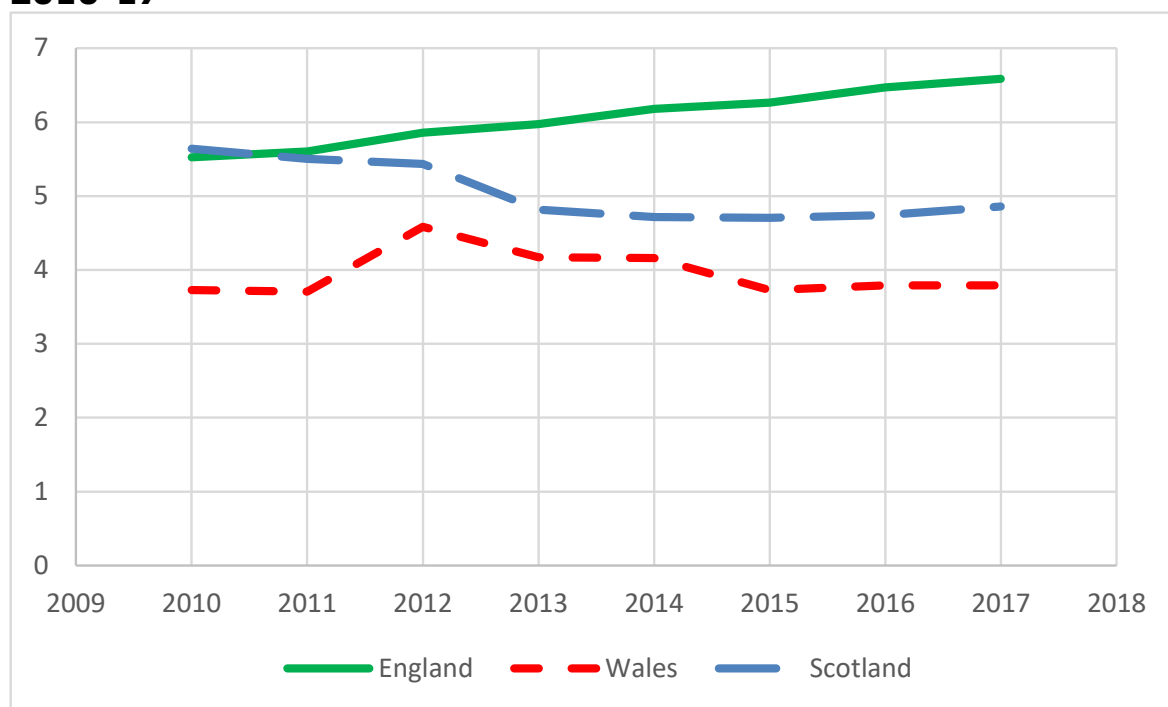


As can be seen, temporary accommodation rates in England spiked significantly in the early 2000s but following the vigorous pursuit of homeless prevention approaches by the then Labour Government, numbers dropped sharply through to 2010. Since that date, numbers have risen quite steadily, confirming other evidence of growing homelessness pressures since that time, largely as a result of social security cuts and a tightening housing market (see below). Temporary accommodation use in Scotland rose strongly from 2002 to a level more than double England by 2010, settling back to a level still notably above the other countries. This resulted directly from the greatly widened duty to accommodate

single homeless people from the early 2000s. In Wales, rates have tended to fall over most of the period covered by this series, albeit with slight upticks in 2010-11 and 2017-18, and have been markedly lower than in both the other GB countries since the implementation of the new statutory framework.

Another summary indicator, not as dependent on policy/legal arrangements as temporary accommodation use, is what we term 'core homelessness'. This is a stock measure of households experiencing the more acute or immediate situations of homelessness, such as rough sleeping, unsuitable temporary accommodation, and 'sofa surfing'.

Figure 44 Core homelessness per thousand households by country, 2010-17



Source: Bramley (2017) *Homelessness Projections (Crisis)*, and (2018) and *Homelessness Projections – Updating the Base Number* unpublished report to Crisis.

Figure 44 shows that in 2010 England and Scotland had similar levels of core homelessness, but that since then they have diverged. In England levels rose steadily up to 2017, with particular growth in rough sleeping (before the May administration's RSI started to arrest that) and unsuitable temporary accommodation, while in Scotland there was a significant decline until 2014, reflecting increased prevention efforts, after which time levels have been more or less stable. Wales has generally shown a lower level of core homelessness, with no longer-term trend but an upward spike in 2012 which took several years to work through.

Wider drivers of homelessness

Statistical analysis has demonstrated that poverty and economic disadvantage, including going back to childhood, are key to underlying homelessness risks.

Health and support needs (e.g. addictions) contribute to the picture, but their explanatory power is less than that of poverty. Social support networks, including strong family ties and support, can 'buffer' or moderate economic effects and other adverse life events to some extent, although low income families can be too stressed or stretched to provide so much support.

Where you live also matters - the risks of experiencing homelessness, especially for families, are highest in areas of housing pressure (notably London). But 'complex needs homelessness', associated with substance misuse and offending behaviours, has a quite different geography, being concentrated in the 'left behind' former industrial and mining areas, smaller towns and less prosperous rural and coastal areas, particularly in the North.

Modelling analysis in Bramley (2018, Figure 14) showed that the policy package with the biggest (beneficial) impact in the short/medium term was maximising local authority prevention activities. In the longer-term, the most important positive policy package would involve reversing key working age social security cuts implemented from 2015, particularly with respect to unfreezing Local Housing Allowance levels. Greatly increased housing supply (both overall and especially involving more social rented housing) would have a moderately large impact in the longer-term, while policy scenarios which would have relatively modest impacts include achieving a progressive reduction in crime rates, and a gradual reduction in traditional hostel places (as may be expected to accompany the adoption of Housing First).

12.5 Conclusions and policy challenges looking forward

Conclusions: the overall position on homelessness and complex needs on the eve of the coronavirus pandemic

The three GB countries have followed distinctive policy paths on homelessness, including since 2015, generating divergent spending and outcomes profiles:

- The most negative story is in England, where post-2010 Governments implemented a combination of deep cuts in social security and a hand-off 'Localism' policy that left local authorities, already reeling from austerity-related budget reductions, with a ballooning homelessness problem to sort out. It wasn't until 2017 that the May-led Conservative administration finally attempted to get a grip on the issue, investing in new preventative legislation and rough sleeping initiatives. These post-2017 efforts seemed to have stabilised some official homelessness trends in England but 'core' homelessness levels continue to rise.
- Wales has increasingly distanced itself from the English approach in recent years, protecting the revenue funding for homelessness services and reforming its homelessness legislation ahead of England in 2015.

- Meantime Scotland has long forged its own path on homelessness by radically extending entitlements for single homeless, but is now considering preventative legislation along the lines of the English and Welsh models.
- Neither Scotland nor Wales have witnessed the rises in core homelessness seen in England in recent years. These examples indicate that one of the theorized benefits of devolution – that it might result in better social policy outcomes via mutual learning and innovation – does seem to find some basis in the homelessness field.
- Another key message to emerge from this analysis is that, while tackling poverty is inescapably core to addressing the drivers of both homelessness and complex support needs, targeted homelessness policies really do matter and can have dramatic (positive) effects, even in a difficult structural climate.
- This point has been illustrated most recently and dramatically by the apparent success of at least the early COVID-19 response on homelessness, which saw nearly 15,000 people sleeping rough or at risk of doing so assisted into self-contained emergency accommodation. The Government estimated that over 90% of rough sleepers known to councils at the beginning of the crisis were offered help under this 'Everyone In' initiative.

Policy challenges looking forward

On the eve of the coronavirus pandemic, key homelessness and complex needs policy challenges included:

- Continuing with the roll-out of Housing First at national level across all UK jurisdictions, replacing outdated and damaging forms of congregate provision.
- Targeting upstream preventative efforts in a more determined and consistent fashion on both high risk groups, such as vulnerable young people, and risky transitions, such as leaving local authority care, prison or mental health in-patient treatment.
- Updating the homelessness legislation in all UK countries so that it strikes an appropriate balance between protecting homeless people's rights, and allowing for pro-active, flexible forms of prevention by local authorities.
- Reversing key social security cuts of the 2010s, and in particular restoring the relationship between Local Housing Allowance rates and actual median market rents.
- Building significantly more social housing at genuinely affordable rents, particularly in pressured regions of the country (primarily southern England).

The coronavirus crisis struck against this background and resulted in new and additional policy challenges. These challenges include 'building back better', by

ensuring that there is no return to the levels of rough sleeping witnessed before the pandemic, but at the same time it is critical to guard against the danger that communal shelter provision may be expanded to ensure that the Government meets its ambition to 'end' rough sleeping by 2024. It is now clear that the elimination of these primitive forms of accommodation should be a public health priority. Finally, it is more necessary than ever to take aggressive preventative action to head off a widely anticipated 'spike' in homelessness cases as the evictions moratorium and furlough schemes come to an end.

13 Social Mobility from May 2015 to pre-COVID 2020: Policies, Outcomes and Challenges – Abigail McKnight

This area of social policy is assessed using a slightly different structure from the other nine areas covered in the SPDO research programme. This is because social mobility policy does not have a department or cabinet minister with responsibility, nor is there a dedicated budget. We review inheritance, aims and goals, policy developments and the work of the Social Mobility Commission. Key findings include:

- The UK has high levels of economic inequality and relatively low rates of social mobility, meaning that parental background plays an important role in determining children's life chances.
- Relative social mobility has not improved for some time. Increases in absolute mobility driven by an expansion in managerial, professional and associate professional occupations and economic growth creating 'more room at the top', were halted by the 2007/08 financial crisis and the lack of income growth during the years of the Coalition Government.
- Theresa May's Government and her agenda for dealing with "burning injustices" held great promise but Brexit negotiations consumed politicians' "bandwidth".
- Boris Johnson's approach and concerns about social mobility are much more 'place-based' and he is set to pursue a "levelling up" agenda with a focus on education.
- Social mobility is unchanged in England between 2014 and 2018 (some improvements in Wales and Scotland) and there are stark ethnic divides in social mobility prospects. Due to long time lags between policy interventions and their impact on social mobility, a look at lead indicators is likely to be more informative than changes to current rates.
- Analysis of these lead indicators from across the SPDO programme provides no reason to be optimistic that social mobility will improve.
- The work of the Social Mobility Commission needs to be better harnessed so that it can effectively inform social mobility policy making.
- The impact of the COVID-19 pandemic on children's and young peoples' education and training, and labour market transitions presents a threat to social mobility without significant and sustained policy interventions.

13.1 Aims and goals

Social mobility describes the extent to which an individual's life chances are determined by their parental background. The strength of the relationship between parent's and children's socio-economic outcomes provides a measure of social mobility. When the association is high, social mobility is low and indicates that children's socio-economic position is strongly related to that of their parents. High social mobility reflects a weak relationship between parental background and the achievements of children. Although there are some political differences in beliefs of what determines social mobility and which policies are most effective at increasing social mobility, there is a general consensus on the desire and need to improve social mobility in the UK.

This area of social policy is assessed using a slightly different framework from the other nine policy areas covered in the SPDO programme. This is because social mobility policy does not have a government department, cabinet minister with responsibility for this policy area, nor is there a dedicated budget. Another factor is that it takes many years before the impact of any policy change or new strategy on social mobility rates is measurable. In the short-term it may be possible to assess lead indicators such as reductions in education inequalities or child poverty rates. It is also an area where devolved administrations have responsibility over some of the key policies that are likely to influence social mobility (such as education policy).

Progress on improving relative social mobility at best stalled for cohorts born from the late 1950s: sociologists conclude that social class mobility remained stable while economists found that intergenerational earnings/income mobility fell between a cohorts born in 1958 and 1970s (for a review of this evidence see SMC, 2015). A different picture emerged for trends in absolute social mobility. An expansion of managerial, professional and associate professional occupations from the late 1980s, over the 1990s and around the turn of the century created 'more room at the top'. This facilitated greater absolute upward occupational mobility and real earnings and income growth between one generation and the next. However, following the 2007/08 financial crisis, and during the Coalition government's term in office, real earnings growth stalled, and younger generations were, on average, less well-off than their parents had been at the same age: absolute income mobility fell.

Under the Coalition government, the Deputy Prime Minister Nick Clegg, took a particular interest in social mobility. He set out a strategy in *Opening Doors, Breaking Barriers: A Strategy for Social Mobility* in 2011, which stated that:

"A fair society is an open society, one in which every individual is free to succeed. That is why improving social mobility is the principal goal of the Government's social policy."

No one should be prevented from fulfilling their potential by the circumstances of their birth. What ought to count is how hard you work and the skills and talents you possess, not the school you went to or the

jobs your parents did. This strategy sets out our vision of a socially mobile country, and how it can become a reality.” (p.5)

The strategy outlined a series of goals to make life chances more equal at the critical points for social mobility: Early years of development; school readiness at age five; GCSE attainment; the choice of options at 16; gaining a place at university or on an apprenticeship; getting into the labour market.

However, school reforms, changes to GCSEs, a programme of austerity which led to cuts to children’s services and cuts to social security, particularly child related elements, put this agenda at risk. A positive legacy policy from the Coalition government is the Pupil Premium, introduced in England in 2011, which is an additional government grant paid to publicly funded schools for every pupil who qualifies for free school meals. The aim of the additional resource is to raise attainment among the most disadvantaged pupils⁵².

There are three Conservative party manifestos we can review to assess the Conservative governments’ aims and goals in relation to social mobility policy. A striking finding is that there is no mention of social mobility in David Cameron’s 2015 manifesto (*Strong Leadership. A Clear Economic Plan. A Brighter, More Secure Future*), one mention of social mobility in Theresa May’s 2017 manifesto (*Forward, Together: Our Plan for a Stronger Britain and a Prosperous Future*) and no mention of social mobility in Boris Johnson’s 2019 manifesto (*Get Brexit Done: Unleash Britain’s Potential*). The one mention of social mobility in the 2017 manifesto was in relation to public services: “*We want the most committed and capable people to come into public service, and for public services to be motors of social mobility – which is why we are looking at ways to make sure civil service recruitment is as diverse as possible, not only from the perspective of gender and race but social class too*” (p.43).

The 2017 manifesto also claimed “The greatest injustice in Britain today” is that it is where you come from, who your parents are and what schools you attend, and not your efforts and talents, that still largely determined your life (p.49). The proposed solution was to ensure that everyone can have a world-class education. The manifesto also included a pledge to set up a Shared Prosperity Fund to address the fact that Brexit would result in loss of EU structural funds (European Structural and Investment (ESI) funds) of around £2.1bn per year. The new fund would be set up to “reduce inequalities between communities”.

The 2019 manifesto, also referred to aspects of social mobility and limited progress that had been made. A geographical perspective is taken, referring to “parts of the country that feel left behind” and opportunities not being uniformly distributed (p.13), the proposed solution is to invest in schools. The 2019 manifesto also outlined Boris Johnson’s commitment to “levelling up” through a Towns Fund, investment in transport, further devolution and a commitment to level up skills with a new National Skills Fund and capital investment in further

⁵² In 2017 the Scottish Government introduced a similar scheme (Pupil Equity Funding).

education institutions. The Shared Prosperity Fund (still to be set up) would also be used to tackle disparities.

13.2 Policy developments

Little attention was given to social mobility under David Cameron's short majority Conservative government 2015-2016 with the distraction of the EU referendum. Cameron resigned in June 2016 and was replaced by Theresa May as leader of the Conservative party, and therefore Prime Minister, in July 2016. At the start of her term as Prime Minister it seemed that social mobility would be a stronger focus of her government. In her first statement as prime minister on 13th July 2016, she spoke about the need to address "burning injustices":

"[I]f you're born poor, you will die on average 9 years earlier than others. If you're black, you're treated more harshly by the criminal justice system than if you're white. If you're a white, working-class boy, you're less likely than anybody else in Britain to go to university. If you're at a state school, you're less likely to reach the top professions than if you're educated privately. If you're a woman, you will earn less than a man. If you suffer from mental health problems, there's not enough help to hand. If you're young, you'll find it harder than ever before to own your own home." (May, 2016).

Stating that her government would not be driven by the interests of the privileged few, but by the interests of just managing families. Theresa May appointed Justine Greening as Secretary of State for Education, who took a strong interest in social mobility and developed a plan to put social mobility at the heart of education policy. During her time as Secretary of State she oversaw the development and publication of a strategy *Unlocking Talent, Fulfilling Potential: A plan for improving social mobility through education*. However, she resigned in January 2018 during a cabinet reshuffle and less than a month after launching the strategy.

Building on the Social Mobility Commission's work identifying geographical variation in social mobility opportunities through estimating a Social Mobility Index (SMC, 2016), in 2016 and 2017 the government identified a number of Opportunity Areas. In total 12 Local Authority Areas in England were selected. These areas were identified as being in most need of support based on a combination of indicators on current educational performance and capacity to improve (with some consideration given to regional spread and area type, to maximise the lessons that could be learnt). For each Opportunity Area a local plan has been developed setting out local challenges for children and young people, priorities, planned activities and targets for 2020/21. Initially a total of £72m funding was made available, with a further £18m announced in November 2019 to keep the programme running for an extra year (up to August 2021).

13.3 Outcomes

Analysis of recent trends in social mobility based on the relationship between parents' and children's socio-economic status shows improvements in Scotland and Wales between 2014 and 2018, but no change in England (SMC, 2019). New evidence from the SPDO programme finds stark ethnic divides in social mobility prospects (Macmillan and McKnight, forthcoming). Even after controlling for immigration history and origin social class, Black African, Black Caribbean, Bangladeshi and Pakistani men and women are less likely to be upwardly mobile and more likely to be downwardly mobile than white men and women. The only ethnic minority group with better prospects were Indian men and women.

Despite all the rhetoric and impassioned speeches, social mobility remains stubbornly low with no signs of improvement in England. In part, this could be due to time delays involved between policy changes and measurable impacts on social mobility. For example, we would not expect to find changes to secondary education to have an impact on social mobility until at least 15-20 years. What we can do is look at lead indicators for evidence that the relationship between parental background and socio-economic outcomes is weakening. If we find evidence that the relationship has weakened, this is a good lead indicator that social mobility may increase in the future. The Government has put great emphasis on child development and education as drivers of social mobility. If we look across the SPDO programme, what evidence is there that policy changes have led to reductions in inequalities that will lead to higher future social mobility?

Early Years – In early childhood there were increases in the number of children achieving a 'Good' level of development as measured by the Early Years Foundation Stage Profile (EYFSP) (Section 3.3). However, the disadvantage gap (based on FSM eligibility) for reception-age children in EYFSP had been narrowing until 2017 but increased in both 2018 and 2019 (Section 6). There were deep cuts to children's services and particularly Sure Start (Section 6), although increases in provision of free childcare for 3 and 4 year olds for working parents (and therefore benefited higher income families). Social inequalities also increased in low birthweight (after narrowing to 2011) and obesity at age five (Section 3.3).

Since 2015 there were deep cuts to child-contingent cash benefits and reductions in the real value of childcare support available through the benefits system, disproportionately affecting poorer families (Section 6). The cash freeze on working-age benefits, the two-child limit and the lowering of the benefit cap all affected the adequacy of the benefits system for families with young children, especially larger families (Section 6). Given these changes it is not surprising that relative child poverty (measured after housing costs) increased with the largest increases in families where the youngest child is aged 0-4 years. Ethnic inequalities in poverty also worsened across all measures (relative, anchored and child poverty AHC) (Section 3.3).

School – The school system came under strain with declining per-pupil funding, rising pupil-teacher ratios and unmet need for investment in school buildings

(Section 7). A new funding formula offset, to some extent, the redistributive effect of the Pupil Premium (Section 7). 'Standards' (according to Ofsted) increased slightly, but there was no real narrowing in disadvantage gaps. Following 2014 reforms to reduce the number of vocational equivalents to GCSEs, disadvantaged young people became less likely to achieve Level 2 by age 19 (Section 7 and Section 3.3). The rate of permanent exclusions for state funded secondary schools also increased between 2014/15 and 2018/19 (Section 3.3). Ethnic inequalities in educational outcomes increased for most ethnic groups (Section 3.3).

Further education – Long-standing neglect of vocational training and education continued (Section 3). One of the biggest losers under the Coalition Government had been the adult skills training budget (Section 2.2). The negative impact of those cuts continued to feed through and further cuts to spending on adult education and skills since 2015 (Section 3.1) negatively impact vocational education and skills. Apprenticeship starts declined by more than a fifth (Section 7). Cuts to further education have a greater negative impact on people from less advantaged backgrounds who are less likely to go to university.

Higher Education – Evidence of some narrowing in participation gaps (Section 8). However, socio-economic participation gaps remain high, particularly at more prestigious HE providers. There is considerable variation in the economic value of first degrees and social gradients in graduate earnings (Section 8). Experts have concluded that there are far too many places offering low value degrees and as many as one in five graduates are unlikely to be better-off over their working lives from attaining a degree (Section 8). A comparison between broad ethnic groups (White, Black, Asian and Mixed) shows that White pupils had the lowest HE progression rates but were more likely to be awarded first class degrees and after graduation were more likely to be in high-skilled employment than Black or Asian graduates (Section 8 and Section 3.3)

13.4 Social Mobility Commission

The Social Mobility Commission (SMC) is an advisory non-departmental public body, sponsored by the Department for Education. It was originally created under the Child Poverty Act 2010 (later renamed the Life Chances Act), which required the establishment of an independent Child Poverty Commission to monitor the effectiveness of the Government's Child Poverty Strategy. The Act enshrined in law the Labour Government's 2001 pledge to end child poverty by 2020 and the Commission monitored the government's progress towards meeting this goal. Under the Coalition government, it was renamed the Social Mobility and Child Poverty Commission by the Welfare Reform Act 2012. In 2016, the Welfare Reform and Work Act abolished the Child Poverty Act, including the targets to reduce child poverty and the Commission was renamed the Social Mobility Commission.

The Commission has become increasingly frustrated at the lack of progress. This eventually led to the Chair of the Commission, Alan Milburn, along with all the

Commissioners to resign in December 2017. In his resignation letter to Theresa May, Alan Milburn stated: "It [the government] is understandably focused on Brexit and does not seem to have the necessary bandwidth to ensure that the rhetoric of healing social division is matched with the reality. I do not doubt your personal belief in social justice, but I see little evidence of that being translated into meaningful action."

After a period of time Martina Milburn (no relation to Alan Milburn) was appointed as the new Chair of the Commission in 2018. However, she stepped down as Chair at the end of May 2020 to devote more time to her "main role as Group Chief Executive of the Prince's Trust". Sandra Wallace and Steven Cooper, are the current co-Chairs.

How does the Social Mobility Commission try to influence policy making

The SMC has published State of the Nation reports for 2013 (SMCPC, 2013), 2014 (SMCPC, 2014), 2015 (SMC, 2015), 2016 (SMC, 2016), 2017 (SMC, 2017a) and 2018-19 (SMC, 2019). The focus of these annual reports has changed over time as the remit of the Commission evolved from child poverty and social mobility to social mobility. Although clearly it would be impossible for a social mobility commission not to have a focus on child poverty, the Commission's specific duties in relation to child poverty outlined in the Child Poverty Act 2010 and the Welfare Reform Act 2012 (for example, to monitor the effectiveness of the government's Child Poverty Strategy) have not been a requirement since the Welfare Reform and Work Act was enacted in 2016.

Each State of the Nation report contains an assessment of progress and a series of policy recommendations. It is not always easy to count the number of discrete recommendations made but our analysis of the reports finds that a total of 177 recommendations have been made since 2013 with the largest share (28%) related to working lives.

Table 3 Policy recommendations by lifecycle stage: 2013-2018/19

	Early years	School	FE/Youth	HE	Working lives	Other	Total
<i>2013</i>	5	5	7	3	12	4	36
<i>2014</i>	5	9	5	7	10	10	46
<i>2015</i>	4	4	4	1	8		21
<i>2016</i>	4	7	7	3	8	6	35
<i>2017</i>	4	3	2	1	6		16
<i>2018-19</i>	3	4	8	3	5		23
	25	32	33	18	49	20	177

Source: Social Mobility Commission State of the Nation reports

Recommendations are sometimes very general (and can be wide-ranging). For example, in the 2014 report a recommendation was made to "*Collaborate with third sector organisations to produce an innovative national good-parenting programme that makes seeking parenting advice the 'norm' and breaks that*

taboo on public policy attempts to improve parenting, from conception to the child reaching adolescence.” Or very specific: For example, in the 2018/19 report one of the recommendations was that “Universities should only make pre-qualification unconditional offers where it is very clearly in the interests of the individual students to do so.”

Some recommendations appear in multiple reports. For example, the 2013, 2014, 2015 and 2016 reports all included a recommendation for a UCAS style system for vocational education. The wording of the recommendation included in the 2014 report is as follows:

“The UK Government should have fully implemented [by 2020] a new ‘UCAS’ system to make access to vocational education and training easier and clearer for young people.” (p. 141).

In 2014 the Deputy Prime Minister, Nick Clegg, announced⁵³ that the government would introduce a UCAS style website which would offer searches for college courses, apprenticeships and traineeships for 16-year-olds who do not want to go to university. If it exists, it is not easy to find.

SMC concerns about lack of progress

The Commission, concerned about lack of progress, has on two occasions (2017 and 2020) undertaken assessments of government policies on social mobility and evidence of whether the government is delivering on the recommendations made by the Commission. *Time for Change: An Assessment of Government policies on Social Mobility 1997-2017* (SMC, 2017b), provides a detailed analysis looking at where progress had been made over two decades and across four life stages - early years, schools, training or further/higher education for young people and the world of work. The motivation for this assessment was a concern that not enough social progress had been made and that continuing along the same path would lead to wider divisions. The Commission felt that a new forward looking approach was needed which could be informed, in part, by an assessment of the success, or otherwise, of previous policy interventions. The assessment notes that efforts to put social mobility higher on the public policy agenda since 1997 had led to some successes, citing widening participation in higher education, falling child poverty rates, reductions in the share of workless households, expansion of early years services, improvements in school quality and some progress being made in recruitment to the most elite professions.

The report gives each life stage a rating - red, amber or green - based on an assessment of how successful public policy had been across the two decades as a whole. The assessment concluded that no life stage rated green. Two were amber – Early Years and Schools. Two were red – Young People and Working Lives. Within each life stage there were individual policies which were assessed to have been successful (for example, the focus on widening participation at

⁵³ <https://www.bbc.co.uk/news/uk-politics-26363534>

university and on creating jobs). Only seven policies scored green, 14 scored amber and 16 scored red. The Commission concluded that public policy had not been as impactful as it should have been due to five principal reasons: (1) there was no overall long-term plan for change (a single cross-departmental plan was recommended); (2) long-term progress was too often sacrificed to short-term change (ten-year targets for each policy area was recommended); (3) policy design had often been misaligned from the objective of achieving higher levels of social mobility (a social mobility test be applied to all relevant new public policy was recommended); (4) sufficient public resources had not been made available for social mobility policies (it was recommended that annual Budgets should identify how public spending is being redistributed to address geographical, wealth and generational divides); (5) governments had overly limited their scope of action (it was recommended that governments should pursue a more activist agenda and build a coalition with councils, communities, employers and professions to create a shared national effort). As was noted above, it was not long after the publication of this assessment the entire Commission resigned.

In the 2020 report – *Monitoring social mobility: 2013-2020 Is the government delivering on our recommendations?* (SMC, 2020) – the Commission reported on findings from an exercise where they had asked the government what they had done in response to recommendations they had made since 2013. This monitoring exercise was motivated by the finding in the 2018-19 State of the Nation report that progress on social mobility had stalled. The Commission found that while some departments had made reasonable progress, others had achieved far less. Of the 52 recommendations the Commission followed-up on, nearly one in three (31%) were given a Red rating, suggesting 'little or no action' had been taken by successive governments. Nearly half (46%) were given an Amber rating, showing 'some, but insufficient progress'. Nearly one in four (23%) were given a Green rating, showing 'strong progress or delivery'.

One aspect of the Commission's work that has influenced government policy is the development of a Social Mobility Index to measure geographical differences in social mobility opportunities. As outline above, this information was used to guide the identification of Opportunity Areas. Arguably this work has had an even wider influence through making the government aware of 'Social Mobility Cold Spots' and an unequal distribution of opportunities, informing Boris Johnson's 'levelling-up' agenda. It is still too early to know if Opportunity Areas have been successful as targets were set for 2020/21 and the huge disruption of the pandemic on schooling is likely to mean that it will be impossible to evaluate their impact. However, even prior to COVID-19 concerns were being raised. Following an inquiry by the Education Select Committee, the Chair (Robert Halfon) wrote to the Secretary of State for Education in July 2019 stating that the Committee wasn't convinced that the programme was the most effective method for improving social justice and supporting disadvantaged

communities⁵⁴. The Committee raised concerns about value for money, selection of areas, effectiveness and independence from Government.

13.5 Conclusions and policy challenges looking forward

Improving social mobility presents a number of policy challenges. In a political system that favours short-term gains over long-term change, social mobility policy over the last 5-10 years can, at best, be described as a 'marginal gains' approach. This approach has avoided dealing with structural drivers such as high levels of economic inequality and child poverty.

With the government focusing social mobility policy on education policy it is also likely to find itself chasing moving targets, as better-off families use their resources to increase upward mobility prospects for their children and reduce risks of downward mobility. One of the implications is that policy needs to focus on quality as well as quantity. Widening participation in higher education has meant that more young people from less advantage family backgrounds are enrolling in higher education than in the past and there has been some narrowing in the socio-economic participation gap. This bodes well for social mobility prospects. However, many undergraduate degrees are found to have low economic value and current estimates suggest that as high as one in five graduates would be financially better-off over their working lives had they not attended university (Britton et al., 2020). Children from more advantaged family backgrounds manage to stay ahead through the subjects they study and the institutions they attend. In an 'education arms-race', the government will be unable to match the per pupil spending power of rich parents (McKnight, 2017). Similar issues exist throughout the education system (GCSEs, A-levels, etc). Although improved educational attainment can boost absolute social mobility, as long as this attainment is rewarded in the labour market where economic inequality is high (as in the UK) it is much less likely to have an impact on relative social mobility.

Policy challenges for the 2020s

The work of the Social Mobility Commission needs to be better harnessed so that it can play a more effective role in shaping social mobility policy. As things stand, the Welfare Reform and Work Act 2016, which sets out the responsibilities of the SMC, only requires the Commission to publish a report setting out its views on the progress made towards improving social mobility in the UK; i.e., it does not require the SMC to make recommendations to Government on how to improve social mobility. This might explain why there is no formal structure or process within Government for responding to and taking on board recommendations made by the SMC. A number of suggestions have been made for how to improve

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<https://committees.parliament.uk/committee/203/education-committee/news/102505/opportunity-areas-committee-chair-writes-to-secretary-of-state-for-education/>

social mobility policy making in government, including having a senior Cabinet minister responsible to a full Cabinet Committee (SMCPC, 2013).

Challenges associated with Brexit

The Government's preoccupation with Brexit in 2016 and 2017 led to the resignation of the original SMC Chair, Alan Milburn, along with all Commissioners. The Commission felt that the government lacked sufficient "bandwidth" to give social mobility the attention it required. Longer term, it is not easy to assess the impact of Brexit on social mobility. If Brexit leads to an increase in inequality, social mobility is likely to fall. If it leads to a reduction in economic growth, this will negatively impact absolute social mobility prospects.

Challenges associated with the Coronavirus pandemic

As a result of the pandemic children are set to miss out on a significant amount of education and inequalities are set to widen. Without a significant and targeted investment designed to reduce wide gaps in attainment that will follow, there is a real risk that social mobility will fall. Cohorts at risk of falling social mobility are likely to also include those in further and higher education and in the early years of entering the labour market. The extent to which social mobility will be affected will also depend on how severely the economy is affected.

The pandemic also threatens progress with the 'bandwidth' of politicians taken up with dealing with the crisis and its aftermath. However, if Boris Johnson can be persuaded that "Building Back Better" includes improving social mobility and "levelling up" should involve addressing structural drivers, then it potentially provides an opportunity for change.

14 Conclusions and key findings: social policies and social inequalities on the eve of the COVID-19 pandemic - Polly Vizard and John Hills

The analysis in this report finishes in early 2020, when the COVID-19 pandemic struck. While we have not attempted to address the pandemic or its effects in any detail in this report, the impact of the public health crisis and the subsequent economic shock cannot be understood independently of the social conditions that prevailed and the social arrangements that were in place when the pandemic struck. The findings from the SPDO programme provide a unique and detailed evidence base in this regard, setting out the state of social policies and social inequalities on the eve of the COVID-19 pandemic. We now conclude our analysis by considering the broader implications of the programme findings in the light of the developments of 2020. We draw out the lessons from our analysis for future social policy making, as Britain transitions into the recovery phase.

Overall, the SPDO evidence base highlights serious key weaknesses and limitations of the welfare state and public services on the eve of the COVID-19 pandemic. Looking across the ten SPDO social policy areas, we find that by early 2020, the social security safety net and broader social guarantees across multidimensional domains of life had been weakened in important respects. The capacity of the welfare state and public services to meet current needs, to protect individuals and groups from downside risk and to improve social outcomes and reduce social inequalities had been eroded. We conclude that, as a result, on the eve of the COVID-19 pandemic, there was over-exposure to downside risk individually and collectively across multiple domains of life and under-protection from its consequences. Moreover, we find overwhelming evidence that a break in progress in improving social outcomes and reducing social inequalities across critical multidimensional domains of life had already occurred prior to the public health emergency. Across the SPDO social policy areas, key indicators of social progress had already slowed down, stalled or gone into reverse prior to onset of the COVID-19 pandemic.

Five key cross-cutting findings from the SPDO research programme support this overall conclusion. These are:

- 1. The protective capacity of the welfare state had been eroded in multiple ways, especially in relation to working age adults and children.**
- 2. Resource, workforce and capacity pressures had built up across multiple public services simultaneously, resulting in a failure to meet current needs, compromising quality, and eroding the resilience of public services to shocks.**

3. **The welfare state and public services were adapting to the rising and different needs and circumstances of the 21st century, but not fully.**
4. **While there was more emphasis on skills in the context of the post-Brexit agenda, social investment in human capital at different life-stages and across different critical life domains continued to be given insufficient priority.**
5. **Looking across the 10 social policy areas, on the eve of the COVID-19 pandemic, there was mounting evidence of a slowdown in social progress and of deep structural inequalities across multidimensional areas of life that were widening against some key indicators.**

In addition to these weaknesses and limitations, the SPDO evidence base identifies some positive developments from the recent period. We noted in the introduction to this report that the single issue of Brexit absorbed political energies and largely displaced other policy concerns from the May 2015 General Election until the COVID-19 pandemic struck. In this sense, the period under observation was characterised by a lack of constructive social policy development, and contrasts sharply with the rapid pace and scale of change across multiple social policy areas under the Coalition between May 2010 and May 2015. Nevertheless, in drilling down on the detail of developments across the ten areas of social policy we examine in this report, we do identify some substantive new social policy directions and initiatives and some important changes as well as continuities in social policy making. Moreover, the pandemic has itself put a spotlight on developments and directions of travel in social policy between May 2015 and early 2020 that proved to be particularly significant when the pandemic struck. Before setting out our cross-cutting findings on the weaknesses and limitations of the welfare state and public services on the eve of the pandemic, and with a view to identifying positive lessons as well as social policy concerns from the period under observation, we re-state and bring together some of these positive developments.

14.1 Positive developments in the run up to the COVID-19 pandemic

Record high rates of employment were an important strength on the eve of the pandemic and there had been several other positive developments relating to the labour market, including minimum wages and reduction in labour market inequalities

Looking across the SPDO social policy areas, a key strength relates to the high rates of employment on the eve of the public health crisis. The increase in employment rates between May 2015 and early 2020 is discussed in

the SPDO employment paper (section 5) and is a key positive outcome reported in the SPDO Indicator exercise (section 3.3). The overall employment rate increased from 72.4% in 2014 to 76.6% in 2019 (based on comparisons between the December-February quarter for each year) and leaving employment at a record level on the eve of the pandemic (based on a consistent ONS series going back to the early 1970s).

There are several caveats to this finding. While female employment rates were at an historic high, rates for men remained 10 percentage points lower than in the early 1970s and below rates observed in 1990 - meaning that the overall increase in the employment rate between 2014 and 2019 was mainly driven by an increase in female employment. In addition, the nature of rising employment during this period should be understood in the context of the changing nature of the labour market; increase rates of self-employment and non-standard work (for example, the gig economy and zero hours contracts); relatively high rates of unemployment amongst young adults; and rising rates of in-work poverty (c.f. section 5). Nevertheless, labour market participation rates were high in early 2020 when the pandemic struck, and the proportion of the population receiving out of work benefits was relatively contained.

The SPDO employment and early childhood papers, and the SPDO Indicator Exercise, identify several additional important policy developments and positive outcomes relating to labour market disadvantage and inequalities. As the SPDO employment paper (section 5) discusses, minimum wages, gender pay gap monitoring and increasing employment rates amongst disabled people were all the focus of important policy developments during the period. Following the introduction of the National Living Wage in 2016, minimum wages increased for over 25s, and earnings inequality fell further and faster than at any time since at least the late 1970s (section 5). There was also policy emphasis on gender inequalities in pay during the period, with gender pay gap reporting made mandatory in 2017 for employers with more than 250 employees. The gender pay gap, whilst still wide, also continued to improve with a decrease from 19% in 2014 to 17% in 2019 (section 5 and 3.3). The employment gap between disabled and non-disabled people also narrowed between 2014 and 2019, with the disability employment rate increasing from 45% in 2014 to 54.1% in 2019 (section 5 and 3.3).

In addition, the SPDO early childhood paper (section 6) reports that maternal employment rates increased for both mothers in couples and lone mothers between 2015 and 2019 in families with a youngest child aged three or four. This occurred after years with very little change and seems likely at least in part to reflect the extension of the free childcare entitlement in England to three and four-year-olds in working households from 15 to 30 hours a week – a flagship policy of the period which improved childcare affordability. For families not in receipt of benefits, childcare affordability was also helped by the implementation of the Coalition Government's tax-free childcare policy. For those receiving means tested support, a separate policy change may also have contributed to

higher maternal employment rates - the extension of work conditionality requirements to cover main carers with a youngest child aged three or four.

Again, there are several caveats to consider in interpreting these findings. The SPDO employment paper notes that while increasing labour market participation for disabled people is to be welcomed, there is a lack of evaluation evidence to assess whether this was a result of active labour market programmes or the tightening of the labour market that occurred over this period. Debates also continue relating to the relationship between maternal employment and early childhood outcomes particularly in the very early years, with potential concerns if employment is enforced through conditionality rather than facilitated through childcare subsidies. However, it should be noted that new work conditionality requirements introduced in this period for parents of children aged 0-2 include only work focused interviews and work preparation – and increases in employment were not observed for mothers of children in this age group (section 6). The SPDO Indicator assessment exercise raises further caveats relating to the quality of work and pay associated with rising female and maternal employment. Notwithstanding the positive developments identified above, both single parents and workers with at least one disabled person in their household recorded increases in in-work poverty rates after housing costs between 2014/15 and 2018/19 (c.f. section 3.3).

Rates of participation in post-16 education were at an historic high on the eve of the pandemic and inequalities in higher education participation had narrowed

A second key positive of the period is that rates of participation in post-16 education were at an historic high on the eve of the pandemic. Rates of participation in full time education amongst 16-18 year olds in England increased following the rise in compulsory school leaving age to 17 (in 2013) and to 18 (in 2015) and remained at record levels in 2019. In relation to higher education, there were regulatory changes including the creation of the Office for Students (replacing HEFCE and Office for Fair Access) in 2018 and the removal of the cap on student numbers in 2015. The SPDO higher education paper (section 8) and the SPDO Indicator assessment exercise identify that progression to higher education in the UK by age 19 (for pupils who were in state-funded education in England at 15) continued to improve, though at a slower pace since 2014/15 compared to increases in participation from 2009/10. Overall progression rates increased steeply through the course of the second decade of the 21st century, from 33.9% in 2009/10 to 39.2% in 2014/15 and 42.5% in 2018/19.

Inequalities in higher educational progression also narrowed in the run up to the pandemic, reinforcing the conclusion reached in Lupton et al. (2016) that the substantial increases in higher education tuition fees under the Coalition had not had an enduring adverse impact on the participation of students from less advantaged households in higher education. Participation of Local Areas (POLAR)

quintiles rank small areas according to progression to higher education, with quintile 1 being the most disadvantaged with the lowest participation rates. Based on this measure, progression rates for students in the most deprived decile in England increased from 18% in 2009/10 to 23% in 2014/15 and to 27% 2018/19, and the gap between them and traditionally high participation areas narrowed. Higher education participation for students from all ethnic groups compared to the highest performing Chinese ethnic group also narrowed between 2014/15 and 2018/19 (section 3.3).

Again, there are important caveats to consider. Gaps in participation between students from the most and least deprived deciles remained very substantial on the eve of the pandemic, with 58% of students from the most advantaged quintile 5 progressing to higher education in 2018/19, compared with 27% from the least advantaged quintile. There were also indications of an ongoing London effect, with participation rates in 2018/19 – and rates of increase during the decade – highest in London and the South East. The extent to which the Government-backed loans system is a system of ‘social investment’ rather than a system of ‘private investment’ continued to be debated and there were increasing concerns around mounting student debt. In 2019 the Augur Review recommended a reduction in the cap on tuition fees to help cut debt and encourage participation. Moreover, while increased participation in higher education is a positive development, a degree does not always translate into higher salaries and increased social mobility. The lower ‘value added’ of certain degree courses in terms of income returns and career opportunities and progress is identified in the SPDO higher education paper. The paper further reports that the proportion of 21-30 year old graduates in high skilled employment in England increased between 2015 and 2019 (from 55.8% to 58.5%) following a decline between 2009 (57.8%) and 2013 (53.3%). However, the share of non-graduates in high skilled employment increased by more – reducing the relative advantage of having a degree (McKnight and Obolenskaya, c.f. 8). The SPDO Indicator set identifies additional concerns in relation to transitions into skilled work and ethnicity, reporting that while White students have lower higher education participation rates than some ethnic minority groups, they also have the highest rates of high skilled employment (section 3.3).

Nonetheless, taken together, the raising of the age of participation in England and the high rates of participation in post-18 education amount to an important social change that has transformed the lives and experiences of cohorts of young people and were an important positive on the eve of the pandemic. During the pandemic itself, the cancellation of exams for the 2020 GCSE and A level cohorts and the difficulties with the standardisation algorithm that was developed as a basis for evaluating attainment culminated in a chaotic transition to teacher assessment in Autumn 2020. However, early evaluations show that higher education participation rates remained high, with record university applications and acceptances amongst 18 year olds in the UK, including record numbers of

acceptances from the lowest participation areas and a record entry rate for students receiving free school meals (FSM) (UCAS, 2020).

Arrangements for digital access to Universal Credit proved to be an important advantage when the pandemic struck, while the roll-out of Automatic Enrolment for workplace pensions was completed, bringing a huge boost in coverage

Third, the SPDO social security paper identifies that arrangements for digital access to Universal Credit put into place under the Coalition and that continued to be rolled out after the May 2015 General Election proved to be an important strength of the social security system when the pandemic struck. Concerns were expressed *prior* to the pandemic about the adverse impact of the decision to make access to Universal Credit digital by default on digital exclusion amongst particular groups. However, there can be little doubt that claiming support through Universal Credit proved much easier for many new claimants during the crisis than it would have been under previous systems (c.f. this report, section 4). In broader research, the ability of the Universal Credit system to respond to the massive, unprecedented and unanticipated surge in the number of new claims that occurred in March and April 2020 during the early phase of the pandemic, together with the performance of the newly digitised Job Seekers Allowance system and the DWP's expansion of digital capacity during the early phase of the pandemic, have been identified as key strengths of the Government's overall digital response to the pandemic. DWP's 'agile' response to the pandemic and the ability to upscale services in its wake are explained, in part, by the investment in digital strategy that occurred during the second decade of the 21st century (Freeguard, Shephard and Davies, 2020).

The SPDO social security paper (section 4) also reports that there were positive developments in relation to pensions during the period, as reforms agreed and introduced during previous administrations to increase pensions coverage were rolled out. Cooper and Hills report that the roll-out of Automatic Enrolment for workplace pensions was completed in April 2019, with all sizes of employer brought in, and minimum contribution rates reaching the full amount planned, 3 per cent from the employer and 5 per cent from employees/tax relief. Cooper and Hills further identify that by April 2019, 87 per cent of employees were enrolled in a workplace pension, up from 55 per cent in 2012⁵⁵.

The NHS stood out internationally as being highly equitable on the eve of the pandemic, while increased focus on integrated care resulted in more emphasis on collaborative practices, and growth in public expenditure on health and adult social care outpaced the rates achieved under the Coalition

⁵⁵ Pensions Regulator (2019).

Fourth, another key strength on the eve of the COVID-19 pandemic is the UK's universal health service, funded through taxation and free at the point of delivery. The SPDO health paper (Vizard *et al.*, forthcoming) reports that this system is highly equitable by international standards and avoids the substantial health protection gaps and catastrophic health costs that arise in some comparator countries (most notably, the United States). The NHS has been referred to across the political spectrum as embodying "British values" and the NHS rapidly became the emblematic symbol of collective values, action and responsibility during the first wave of the COVID-19 pandemic. The fundamental equitable and protective role of the NHS requires acknowledgement in the light of the service pressures, capacity constraints, adverse health outcomes and public health shock planning failures that we identify in this report during the period between May 2015 and early 2020. The 2015, 2017 and 2019 Conservative Party Manifestos all included commitments to a universal, tax funded and free at the point of use health service and this model of accessing and financing healthcare remained in place and was well supported across the political spectrum throughout the second decade of the 21st century.

The SPDO health and social care papers (sections 9 and 10) identify progress in relation to the delivery of integrated care as an important positive in the run up to the pandemic. The SPDO health paper identifies that while overall progress in delivering integrated health and care was substantially slower than had been set out in the plans for the period published by NHS England in 2014, the progress that was made was nevertheless an important positive development. The SPDO adult social care paper (section 10) identifies sustained emphasis on health and social care integration as a key strength on the eve of the pandemic, with particular progress in relation to pooled budgets, which in turn helped to advance joint health and care planning practices. The importance of collaborative practices in health and care in delivering an effective pandemic response, particularly in the context of older people's care, have been highlighted in a recent evaluation by the Care Quality Commission (2020). The SPDO evidence suggests that policy was moving in the right direction prior to the pandemic, with increased emphasis on integrated care and collaborative practices, and that emerging good practice and new provider partnerships might be assessed to have provided a stronger foundation for collaborative practices during the pandemic than might otherwise have been the case.

On funding, the SPDO health paper (section 9) reports that growth in public expenditure on health was higher under the Conservative Governments between May 2015 and early 2020 than it had been under the Coalition between 2010 and 2015. The uplift to NHS spending announced on the NHS 70th Anniversary in July 2018 had begun to feed-through prior to the pandemic, with growth in year-on-year expenditure in 2019-20 being higher than in the recent past. The SPDO adult social care paper (section 10) also reports that period May 2015 to early 2020 witnessed positive growth in public expenditure on adult social care, contrasting with the period of public expenditure *cuts* under the Coalition, and resulting in a more benign position for adult social care funding on the eve of the pandemic, compared to a counter-factual scenario.

Mental health received greater social recognition and gained ground as a particular policy focus while there was also progress relating to sugar-sweetened soft drinks

Fifth, mental health moved up the policy agenda between May 2015 and early 2020. This may have helped to have ensure recognition for mental health and suicide as key concerns during the COVID-19 pandemic and lockdowns, a period that has seen increases in psychological distress, anxiety and depressive symptoms (Public Health England, 2020), (ONS, 2020a) (Banks and Xu, 2020). Section 3.1 and the SPDO health paper (section 9) identify a series of positive policy developments in relation to mental health policy from May 2015. Commitments on achieving parity of esteem and giving equal attention to mental health were included in all three Conservative Party Manifestos between 2015 and 2019. In the wake of the Brexit referendum, Theresa May's "burning injustices" speech moved the issue of mortality and health inequalities and mental health up the political agenda. This was followed up by several initiatives on mental health including additional funding, new mental health access and waiting time standards and initiatives relating to psychological therapies, crisis support, children and young people's mental health services, and mental health in the workplace and within schools. In response to rising rates of detention and racial disparities, a review of the Mental Health Act 1983 recommended legislative reform. A suicide strategy was announced and a new role of Minister for Mental Health, Inequalities and Suicide Prevention was created.

More broadly, the health inequalities duties introduced as part of the Coalition's health reforms in the Health and Social Care Act in 2012 were increasingly referred to in policy documents over the period, while the 'social determinants' approach received increasing attention, including in the work of Public Health England and in some local initiatives. In terms of public health, while the anti-obesity measures that were introduced between May 2015 and early 2020 were criticised as being too limited in scope, the new Soft Drinks Industry Levy which targeted sugar-sweetened soft drinks has been positively assessed (CMO, 2019).

The Homelessness Reduction Act (2017) stands out as an important policy advance and there were several other important initiatives around homelessness

Sixth, as we noted in section 3.1 and is highlighted in the SPDO paper on homelessness and complex needs, homelessness also stands out as an important area of policy advance and emerging good practice in the run up to the COVID-19 pandemic. When the pandemic struck in early 2020, one of the Government's key policy responses was to issue guidance to local authorities (backed by funding) requesting them to accommodate people sleeping rough or at risk of doing so, and to find alternative accommodation for

those in shelter who could not self-isolate (the 'Everyone In' initiative) (Crisis, 2020; Local Government Association, 2020). Policy developments between 2015 and 2020 provided key lessons and were able to inform and improve the Government's initial pandemic response to homelessness. Fitzpatrick and Bramley (forthcoming) identify the re-establishment of a national framework of rights and responsibilities for addressing homelessness as a key policy advance that occurred under Prime Minister Theresa May. The Homelessness Reduction Act (2017) provided a new national framework of homeless duties and a new focus on prevention, while central funding for Housing First pilots was introduced, with early positive impacts (c.f. section 12).

More broadly, looking across the SPDO social policy areas, there were several other important initiatives during the run up to the pandemic.

These include the adoption of new preventative approaches to violence; a new definition of domestic abuse; a commission on non-standard work; a skills review; and an audit on racial and ethnic inequalities. Some of these remained at recommendation or review stage and / or were not fully implemented by the eve of the pandemic, delayed by the politics of Brexit, the Conservative Party Leadership Election of summer 2019, the General Election of late 2019, and then by the public health crisis of early 2020. Nevertheless, several of these initiatives addressed issues that proved to be of critical importance when the COVID-19 pandemic struck. We repeat our summary of these policy advances here, to underline areas where policy was heading in a positive direction.

- **Social protection and precarious work.** We note below that social protection gaps for non-standard workers remained an important social problem on the eve of the pandemic and proved a key issue when the economic crisis was triggered by COVID-19. In this context, it is also important to note that in the years running up to the pandemic, there was greater official recognition of the precarious position of non-standard workers and the issue of their social protection. The Taylor Review was commissioned and its recommendations were accepted in the Government's Good Work Plan (HM Government, 2018). While many of these recommendations had not been implemented by the eve of the pandemic, one positive advance was the establishment of a right to parity of pay for some agency workers (c.f. McKnight and Cooper (forthcoming)).
- **Further education, skills and lifelong learning.** As noted in section 3.1 and section 8, Prime Minister Theresa May also set up a review of post-18 education funding (The Augar Review, (Augar *et al.*, 2019)), which provided recognition of the importance of life-long learning and social investment in adult education skills and set out a series of specific recommendations relating to adult further and higher education. However, Foster (2019) reports that as of late 2019, in relation to adult further education, the Government had not made any decisions in relation to the recommendations set out in the review. McKnight and Cooper reach a similar conclusion relating to the Augar recommendations on higher education (c.f. section 3.1 and 8).

- **Public health approach to violence and domestic abuse.** The SPDO physical safety and security paper also identifies several new and innovative polices introduced during this period. This includes the adoption of a multi-agency public health approach to violence as part of the Government's Serious Violence Strategy, following the successful implementation of this approach in Scotland – although the authors point out that this measure was not backed by adequate resources (Cooper and Lacey 2019, c.f. this report section 11). A new domestic abuse bill was also advanced under Theresa May. This was important in terms of the official recognition that domestic abuse is not limited to physical violence (c.f. Cooper and Lacey (2019)). The passage of the bill was delayed during the period in which Parliament was prorogued in 2019 and the General Election took place, and the new legislation had not been enacted by the eve of the pandemic. However, the bill was reintroduced into Parliament in March 2020.
- **Racial and ethnic inequalities.** Prime Minister Theresa May established The Race Disparity Unit (RDU) and the Race Disparity Audit (Women and Equalities Committee, 2018) was undertaken. The Lammy Report (2017) examined the treatment and outcomes of people from minority ethnic backgrounds in the criminal justice system and set out a series of recommendations to address the various manifestations of disproportionality (for details, see Cooper and Lacey (2019)). Other reviews on racial and ethnic disparities undertaken during the period include the McGregor-Smith review on race in the workplace (McGregor-Smith, 2017), and the Angiolini review, which recommended the complete phasing out of the use of police cells as a place of safety (Angiolini, 2017).

14.2 Weaknesses and limitations on the eve of the COVID-19 pandemic

Having identified some of the positive social policy developments from the period May 2015 to early 2020, we now move on to identify what we consider to be serious key weaknesses and limitations of public services and the welfare state on the eve of the pandemic, drawing on the evidence from the SPDO research programme.

The protective capacity of the welfare state had been eroded in multiple ways, especially for working-age adults and families

First, the SPDO social security, employment, early childhood and homelessness papers (c.f. sections 4, 5, 6 and 12) provide strong evidence that the protective capacity of the welfare state was weakened in multiple ways between May 2015 and early 2020, especially for working age adults and children. The fundamental task of a welfare state is to protect individuals against downside risk in the living

standards domain. However, when the COVID-19 pandemic struck, it rapidly became evident that pre-existing social security arrangements failed to provide social protection at adequate levels. The gap between wage levels and income-replacement schemes under pre-pandemic arrangements was substantially greater in the UK at a population level than in other European countries. While this fact was rooted in a steadily dwindling emphasis on contributory social insurance over a long period of time, developments between May 2015 and early 2020 had substantially undermined the generosity in working-age and child benefits and had contributed to a growing problem of protection gaps for some social groups and for non-standard workers.

The SPDO social security paper (Cooper and Hills, c.f. section 4) provides strong evidence that the role of the social security system changed profoundly during the course of the second decade of the 21st century. It identifies that, on the eve of the COVID-19 pandemic, there was increased potential for widened and prolonged hardship. The paper identifies that:

- **The generosity of working age and children's benefits had been eroded, with the extent of social protection becoming much more correlated with age.** Pensioner income had continued to be protected through the 'triple lock' between May 2015 and early 2020, as it had been under the Coalition. However, other groups including working age adults and families with children were not afforded the same levels of social support, and inequities in social protection by age group continued to accrue. Total real public expenditure spending on social security and tax in Great Britain declined between 2014/15 and 2019/20, with expenditure on pensioners being maintained at the same level, while child-related spending (such as Child Benefit and tax credits to families with children) was cut. Looking at the second decade of the 21st century as a whole, real spending on pensioners was £12.5 billion higher than in 2009-10, with broad stability from 2014/15. Spending related to children fell both before and after 2015, and by £10 billion over the decade. Spending per pensioner increased over the decade while real spending per child aged under 18 fell by a quarter.
- **The social safety net had been weakened for non-pensioner groups, with a reduced capacity to protect working age people and families with children from poverty.** A key goal of the social security system is to prevent individuals falling into poverty during hard times. However, the generosity of the minimum income guaranteed by the state for those who are out of work *declined* for non-pensioner groups during the second decade of the 21st century. The real value of the safety net was eroded for single people and for working age couples both with and without children between 2009 and 2019. The value of the safety net also declined as a percentage of the relative poverty line (after housing costs have been deducted) for working-age single adults and for couples with and without children. In contrast, the real value of the safety net for pensioners was

maintained and its value as a percentage of the relative poverty line stayed broadly constant.

- **The erosion in the generosity of social protection on the eve of the pandemic resulted from the interaction of policy decisions that were made both before and after the May 2015 General Election.** Following the General Election, a nominal freeze was imposed on rates of most working-age tax credits and benefits including unemployment benefits, housing benefit, Universal Credit and child benefit, compounding the effects of changes to uprating introduced under the Coalition, including the decision to uprate in line with the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). A range of further measures affecting eligibility, thresholds and generosity were also introduced after 2015, imposing additional downward pressure on tax credits and a range of benefits affecting working age adults and children such as the total benefit cap, housing benefit and Universal Credit. New social protection gaps also continued to open up after 2015, with the introduction of a two-child limit. This new policy intensified the effects of the caps and eligibility restrictions introduced under the Coalition and resulted in social security support being increasingly decoupled from need. Social protection gaps for irregular migrant groups also intensified as a result of 'hostile environment' policies.
- **Shortfalls also resulted from benefit deductions and gaps between support with housing costs and rents.** Although JSA sanctioning rates declined from a peak under the Coalition in 2013, the roll out of Universal Credit was associated with a new system of benefit payment waiting periods (of six and then five weeks) coupled with additional deductions related to the repayment of advances and debt recovery (including recovery of rent and utility arrears, benefit overpayments, fines and civil penalties – on which, see the Trussell Trust and Stepchange report (Jitendra *et al.*, 2019)). Housing benefit shortfalls (resulting from increased gaps between social support with housing costs and actual rents) further reduced the extent to which the safety net protected from poverty.
- **The paper also reports evidence from analysis undertaken by the Institute for Fiscal Studies that the overall distributional effect of benefit and tax reforms between 2015 and 2019 was regressive,** with the poorest decile losing the most net income (proportionally) while the richest decile gained most. Looking at the second decade of the twentieth century as a whole, the overall distributional effect of benefit and tax reforms between 2010 to 2019 was also regressive, with bigger proportional losses at the bottom of the income distribution than at the top (c.f. Bourquin *et al.* (2019)).

Overall, the SPDO social security paper provides strong evidence that when the public health crisis struck in early 2020, and as the economic crisis triggered by COVID-19 began, the protective capacity of the welfare state in early 2020 was weaker than it had been in previous economic shocks. Further evidence on the

weakening of the protective capacity of the welfare state during the run up to the pandemic from across the SPDO programme includes:

- **The SPDO employment paper (McKnight and Cooper, section 5) identifies how changes in the labour market further eroded the protective capacity of the welfare state.** While improvements in minimum wages and wage inequalities resulted from the New National Living Wage, minimum wage legislation by its very nature targets low individual hourly wages not low family income - and in isolation, a minimum wage is unlikely to have sufficient leverage over the bottom of the income distribution to provide a solution to poverty. This proved to be the case during the current period; in-work poverty was on an upward trajectory on the eve of the COVID-19 pandemic. In addition, the expansion of non-standard employment practices resulted in the emergence of new and widening social protection gaps for the self-employed and gig economy workers leaving these groups over-exposed to downside economic risk when the public health emergency struck. McKnight and Cooper note that this group was less likely to qualify for the new and more generous COVID protection schemes introduced by the Government in the wake of the public health emergency, and more likely to end up on Universal Credit.
- **The SPDO early childhood paper (Stewart and Reader, section 6)** highlights how the cash freeze on working-age benefits, the introduction of the two-child limit and the lowering of the benefit cap all had a significant impact on the adequacy of the benefits system for families with young children, especially larger families.
- **The SPDO homelessness and complex needs paper (Fitzpatrick and Bramley, section 12)** reports that homelessness in England was rising between 2015 and 2017, prior to the introduction of new national housing duties under Theresa May. This followed on from increases in homelessness under the Coalition between 2010 and 2015. Fitzpatrick and Bramley identify homelessness as the 'hard edge' of rising poverty and hardship, with systematic drivers of rising homelessness during the second decade of the 21st century including poverty, sanctioning, the erosion of social security entitlements and lack of affordable housing supply. A substantial minority of single homeless adults have complex support needs associated with substance misuse and offending which are in turn systematically related to poverty.

In parallel with these developments, the period witnessed increased reliance and dependence on the non-statutory, voluntary sector provision to meet essential needs. There was less emphasis on the 'Big society' agenda than there had been during the Coalition years – particularly after the end of the Cameron premiership. However, in some social policy areas reliance on social action (non-statutory and driven by the charitable and

voluntary sectors) as opposed to public action (state guaranteed and regulated services) to meet key human needs continued to increase. Increasing reliance on emergency and crisis services provided by the charitable and voluntary sectors is particularly apparent in relation to food bank use. The number of three-day emergency parcels distributed by food banks in the Trussell Trust network in the UK (which accounts for about two thirds of food banks) continued to grow substantially after 2015, with a third of parcels going to children (The Trussell Trust, 2019).

Resource, workforce and capacity pressures had built up across multiple public services simultaneously, resulting in a failure to meet current needs, compromising quality, and eroding the resilience of public service to shocks

Second, looking across other SPDO social policy areas, there is overwhelming evidence of the substantial resource, workforce and capacity pressures and maintenance backlogs that have built up across multiple public services simultaneously.

- **In health (Vizard, Obolenskaya et al, c.f. section 9), while total (current and capital) public expenditure increased by more than other social policy areas, these increases failed to keep up with common indicators of demand and need.** The period was characterised by repeated warnings from authoritative bodies and health experts in relation to resource limitations, workforce pressures, increasing waiting times, winter pressures, excess winter deaths and widening mortality inequalities.
- **In physical safety and security (Cooper and Lacey, c.f. section 11),** total public expenditure on police services, prisons, law courts and other aspects of public order and safety saw a 5.5% increase between 2014-15 and 2019-20, with per capita expenditure flatlining, following on from a period of marked decline in expenditure under the Coalition from 2009-10 to 2013-14. Police sanction detection rates declined while the combination of overcrowding and budgetary constraints led to a decline in standards of safety, security, health, hygiene, order and basic decency within prisons. Knife crime rose and homicides increased each year between 2014 and 2018. On the eve of the COVID-19 pandemic, while additional resources had been allocated as part of the Violence Against Women Strategy, years of cuts had adversely impacted on refuge services, while domestic homicides were at a five year peak.
- **In education (Lupton and Obolenskaya, c.f. section 7), current spending on schools in England remained broadly stable but pupil numbers grew, so per-pupil funding declined,** with post-16 spending declining even more, while funding for pupils with special educational needs failed to keep up with demand. With rising pupil numbers, rising

needs and static (schools) or falling (post-16) spending, the system came under increasing strain, with a rise in pupil-teacher ratios. The Special Educational Needs system suffered long waiting lists for assessment, serious gaps in therapy provision and too few high needs places, with the NAO declaring the system financially unsustainable.

- **In adult social care (Burchardt et al, c.f. section 10),** despite the real terms increase in current public spending on adult social care in England between 2014/15 and 2018/19, **continued chronic under-resourcing meant that the gap between need and the capacity to supply coordinated, comprehensive and high-quality care was already wide before coronavirus hit.** There was a large stock of unmet need for care, especially among women in the oldest age groups and those living on low incomes and in deprived neighbourhoods, while the intensity of care by unpaid carers increased - with unpaid carers effectively acting as 'shock absorbers' for cuts in formal service provision.

There were increasing concerns over the period that downward budgetary pressure was eroding the viability of some private providers of public services prior to the COVID-19 pandemic. In adult social care (c.f. section 10), regular concerns were raised during the period relating to private provider viability. The Care Quality Commission highlighted concerns that local authority contracts were not covering the true cost of delivering care in late 2019 (c.f. section 3.1). There were also indications of childcare sector vulnerability *prior* to revenue squeezes that have occurred subsequent to the onset of the public health emergency. Stewart and Reader (c.f. section 6) note that the voluntary childcare sector was already shrinking in size while profit margins were falling in parts of the private sector, leaving childcare providers with very limited buffers.

There is also evidence of the effects of **inadequate social investment in public infrastructure** across different SPDO social policy areas. Levels of public sector net investment in the UK fell dramatically in the 1980s and have subsequently remained low compared to the rates that were previously observed (c.f. section 3.2 and Whittaker (2019), Figure 10). In 2017, overall levels of government investment in the UK also remained lower than the OECD median, although the gap was projected to close by 2023 under the plans for increases in capital spending announced in the March 2020 budget (Office for Budget Responsibility, 2020b). While capital spending grew rapidly from 2017-18, slow growth during the first years of the Conservative government coupled with negative growth rates under the Coalition meant that a large proportion of the increases were directed towards the backlog in capital stock maintenance (c.f. section 3.2; c.f. Atkins et al (2020)). Moreover, several of the SPDO papers identify evidence of a continued backlog of maintenance and investment between 2015 and early 2020:

- **The SPDO health paper (Vizard, Obolenskaya et al, section 9) finds that capital spending on health infrastructure was neglected.**

Schemes to address the backlog of buildings maintenance and IT investment in England were delayed, with warnings from the NAO that the health capital investment budget was regularly being re-allocated to fund current spending in response to growing resource pressures, workforce shortages and capacity constraints (National Audit Office, 2020b). The failure to invest in public health infrastructure both locally and centrally also emerges as one of the most significant policy failures of the pre-pandemic period.

- **The SPDO physical safety and security paper (Cooper and Lacey, section 11) highlights major concerns around the declining conditions of the prisons estate.** On the eve of the pandemic, years of disinvestment and lack of appropriate maintenance of the prison estate had left 60% of prisons crowded in December 2019 and 41% of prisons needing major repair or replacement in the next three years to remain operational (National Audit Office, 2020a) (National Audit Office 2020).
- **The SPDO education paper (Lupton and Obolenskaya, section 7) reports high levels of under-investment in school buildings in England.** This resulted in growing problems with the quality of the school estate.

The welfare state and public services had been adapting to the rising and different needs and circumstances of the 21st century, but not fully

Third, the SPDO evidence base focuses attention on the failure of the welfare state and public services to fully adapt to the rising and different needs of the 21st century across multiple areas of life. This includes failure of the welfare state and public services to fully adapt to rising and changing needs associated with the ageing population, as well as the importance of shaping social guarantees around broader changes brought about by changing family structures and technological and labour market changes, and people's lived experiences and circumstances as the UK transitions into the third decade of the 21st century.

The SPDO health and social care papers (sections 9 and 10) both highlight the critical and urgent importance of delivering a new financing and delivery model for health and social care that reflects the realities of population ageing and the rising, new and different needs associated with longer survival with multiple conditions including dementia and frailty. This fundamental challenge of social care reform has eluded successive Governments. While the SPDO adult social care paper (c.f. section 10) reports progress during the period under observation relating to pooled budgets, Burchardt and Obolenskaya report that the flaws and inadequacies in the positioning and understanding of social care, in funding systems, in fragmented institutional structures and delivery mechanisms and in

the outcomes the system is able to achieve were pitilessly exposed by the COVID-19 pandemic. The SPDO health paper (section 9) reports that the roll out of integrated health and care in England by 2020 was a key ambition set out in the NHS Five Year Forward View in 2014. Internationally, there is also increased recognition of the importance of transforming health and care services and the delivery high quality older person-centred and integrated health care as well as of a broader societal response to population ageing internationally (on which, see for example (World Health Organization, 2015a)). However, authoritative assessments concluded that the implementation of the ambition of integrated care was slowed down by resource, workforce and capacity pressures during the current period, with the NHS operating in “survival mode” (Committee of Public Accounts, 2018). There was also a growing consensus during the period that the competition and anti-collaboration rules introduced by the 2012 Health and Social Care Act constituted a barrier to integrated care (c.f. section 9).

During the current period, the proposition that the failure of the welfare state and public services to adapt to the effects of population ageing poses major challenges for inter-generational justice moved up the social policy agenda. The Intergenerational Commission examined the social policy challenges associated with population ageing coupled with additional pressures resulting from the post-war baby-boom generation reaching retirement age and identified the 2010s and upcoming period as an important turning point in terms of the demographic change, the dependency ratio and the accrual of pressures on the welfare state and public services. It found that the failure of society to fully recognise, respond and adapt to demographic change is not only associated with rising unmet need amongst older people but is also increasingly a source of *intergenerational* inequity. The Commission predicted that in the absence of an appropriate policy response, the millennial cohort, already impacted by slow wage and income growth coupled with high housing costs during the post-crisis period, would lose out relative to the baby-boom generation over their lifetimes in terms of wages, income, housing and wealth accumulation while health and social care services for older people would be compromised. It called for a new intergenerational contract including increased social care funding (financed by a replacement to council tax and capped property related contributions) and for health (financed through an age-related health levy and national insurance on occupational pension income), coupled with a range of initiatives to improve the position for young adults including measures to promote employment security, housing security; a citizen’s endowment fund; and measures to reduce pension risks for young adults (Resolution Foundation, 2018; Willets, 2019).

Important concerns about inter-generational equity are also identified in the SPDO social security paper (c.f. section 4). Over the long-term, pensioner poverty has fallen, which is to be welcomed. However, Cooper and Hills report that while the income of pensioners continued to be protected

through the 'triple lock' between May 2015 and early 2020, the burden of social security cuts continued to be borne by working-age adults and families. Cooper and Hills put the spotlight on the inter-generational inequities resulting from this differential treatment and conclude that a central function of the social security system - that of income smoothing across the life-cycle - is now working less effectively to even out the period of life cycle variation when people have children. Reflecting on the challenges posed by population ageing looking forward, Cooper and Hills question the sustainability of the strategy of containing the social security budget by eroding the relative value of working-age and children's benefits in the period going forward. They report that while the upward cost pressures on the social security budget associated with population ageing was partly offset by increases in the state pension age for women during the second decade of the 21st century, this is now almost over. In the upcoming period, rising pensioner numbers will combine with the increasing generosity of pensions from the 'triple lock' to further increase pressures on the overall social security budget in the upcoming period. In the absence of an alternative approach, the burden of adjustment will continue to fall disproportionately on non-pensioner groups, with further cuts to and the erosion of the generosity of working-age and children's benefits.

In addition, the SPDO adult social care paper (section 10) puts the spotlight on the ways in which the failure of the care systems to fully adapt to the ageing population is reflected in deep inequalities within the older population (intra-generational equity). Two out of five older people in the most deprived fifth of areas in England in 2018 had an unmet need for help with at least one activity of daily living. This meant that they were twice as likely to need help and to have unmet need than those living in the least deprived areas. And among wealthier families, those with the bad luck of developing dementia or some other conditions face very high long-term care costs, and continue to be unable to insure against this risk. The failure to fully adapt to population ageing is reflecting in inequalities in the distribution of care-giving with inadequate social support and workplace flexibility for unpaid carers. Burchardt and Obolenskaya also identify that there has been an intensification of care giving during the second decade of the 21st century, with the proportion of carers who provide 35 hours of care or more a week increased from 27% to 32% between 2010/11 and 2018/19.

As well as failing to adapt to the phenomenon of population ageing, there are a variety of other ways in which social guarantees have failed to keep up with the changing circumstances and lived experiences of the 21st century. For example, the high and rising rates of child poverty amongst single parents reported in the SPDO social security paper highlight the continued economic insecurity associated with single parenthood in the UK context. OECD analysis of poor children in rich countries identifies rising single parenthood as an international phenomenon and reports that living in a single

parent family is a key factor associated with child poverty (OECD, 2018). The proportion of children living in single parent families living in households below the poverty line increased in the wake of the financial crisis of 2007/8 and the Great Recession that followed in several rich countries (OECD, 2018) (Chzhen *et al.*, 2017). Interventions to increase the labour market participation rates of single parents are viewed internationally as a key policy lever for addressing child poverty amongst children living in single parent families. In addition, the structural nature of inadequate social floors for single parent families internationally, coupled with the rising importance of dual incomes in poverty protection, have been highlighted in the literature (Cantillon, Collado and Mechelen, 2018).

The spectre of rising economic insecurity resulting from the expansion of non-standard employment - and the importance of updating and shaping employment rights and social protection around the needs of precarious and insecure workers - was highlighted in the Taylor Review (2018). However, Taylor notes that when the pandemic struck, the extent of economic insecurity associated with nonstandard employment took the government by surprise (Taylor, 2020). The SPDO employment paper identifies that this phenomenon was a trend internationally, with labour market changes leaving a sizeable group exposed as the pandemic hit in many different countries (this report, section 5; c.f. OECD (2019d, 2020c, 2020a, 2020d)).

Looking across the SPDO evidence base, the failure of the welfare state and public services to fully adapt to the phenomenon of poor mental health and its consequences emerges as a further important concern. The phenomenon of poor mental health and its consequences received increasing social recognition during the course of the second decade of the 21st century and poor mental health and its consequences emerges as a key cross-cutting policy challenge across multiple SPDO social policy areas including social security, employment, education, health and physical safety and security. Progress between May 2015 and early 2020 in relation to the parity agenda was summarised in section 14.1 above. However, there are also examples from the period of a continued failure to address the needs of those with mental health conditions in the design and implementation of social policy during the period. In relation to social security policy, this includes the failure of the mobility element of Personal Independence Payments policy to adequately address the needs of those with mental health problems, which the Courts found to be discriminatory in 2017.

Social investment at different life-stages and across different life domains had continued to be given insufficient priority

Fourth, there is increasing emphasis in the social policy literature on the importance of welfare states and public services that are focussed not

only on protection against key social risks but also on building up the stock of human capital over the lifecycle. This perspective emphasises the productive role of social investment in a range of public services and people, including in early years, adolescence and youth, education and skills, life-long learning, active labour market policies, and health (Hemerijck, 2017b, 2017a, 2018).

The SPDO education and employment papers (c.f. sections 7 and 5) as well as the SPDO Brexit paper (Stewart, Cooper and Shutes, 2019) all identify investment in vocational education and training as a key weakness. Vocational education - including the adoption of a life-time approach to upskilling and retraining – is increasingly recognised as critical for human capital formation and as essential for maximising labour market participation and bolstering individual and collective resilience to economic shocks under contemporary labour market conditions. The importance of re-skilling as part of a post-Brexit equalities agenda is identified in the SPDO Brexit paper (Stewart, Cooper and Shutes, 2019); and the importance of opening up more opportunities for technical education and skills training became an increasingly prominent concern in the period after 2015, as the country's post-Brexit skill requirements and the need for regional rebalancing became increasingly evident. Yet these are areas in which the UK continues to lag behind comparator countries and this relative neglect continued after the 2015 General Election.

The urgent need to upskill low-skilled workers also emerges clearly from the SPDO employment paper (section 5). More than a quarter of working-age adults in the UK have low levels of literacy and/or numeracy (OECD, 2019g). Factors that impede the matching of skill supply with skill demand in the UK include poor literacy and numeracy of young adults, weak engagement of career guidance services with employers and failure to promote information about vocational pathways for students (ibid). Training opportunities for unemployed people need to be better tied to the skills needed while the adult learning system should enable adults to have more and better access to upskilling and reskilling opportunities (OECD, 2017, 2019b).

Public expenditure on both 16-19 further education and adult learning and skills fared in England particularly badly during the current period, following substantial cuts to the adult skills budget under the Coalition. This occurred at the same time as the compulsory participation age increased. As identified in the SPDO education paper (c.f. section 7), new apprenticeship start-ups were already on a downward trajectory prior to the COVID-19 pandemic in early 2020. This trend was driven by declines in intermediate (lower-skill) new start apprenticeships for young adults - reinforcing concerns highlighted by the Social Mobility Commission relating to a lack of apprenticeships for disadvantaged groups and a disproportionate lack of retraining and upskilling opportunities for those with lower educational qualifications (Luchinskaya and Dickinson, 2019; Battiston et al., 2020). Overall, there can be little doubt that the continued ongoing failure to invest in and

implement a lifelong learning approach to education and skills reduced individual and collective resilience to shocks on the eve of the COVID-19 pandemic, compared to a counterfactual scenario.

Moreover, the educational reforms introduced under the Coalition and implemented after the May 2015 General Election increased exposure to downside risk in the educational domain. The analysis in the SPDO education paper (section 7) focuses attention on the Coalition's educational reforms - which involved a return not only to an emphasis on exams as a system of grading but to a *single* exam model with assessment for the majority of GCSE and A level qualifications being entirely assessed in a single summer exam period - was a backward step. This reform increased the exposure of an entire cohort of children to downside risk in the education domain - as was catastrophically exposed for the GCSE and A level cohorts during the summer of 2020, following the cancellation of final exams as part of the first national lockdown arrangements.

Other SPDO papers provide evidence of a failure to invest adequately in human capital at other life stages and in other domains. The SPDO early childhood paper (section 6) reports a shift in policy focus away from child development towards a narrower interest in childcare for working parents. The extension of free childcare for three- and four-year-olds of working parents to 30 hours improved the affordability of childcare, an area on which the UK stands out as a poor performer in international comparisons. Early indications suggest the policy also contributed to an increase in labour force participation for mothers of children in this age group, with most impact on lower income households. However, the longer day is only available where parents are in work, meaning that the most disadvantaged children, those with most to gain from high quality provision, are losing out. It appears that in some cases these children now access not only fewer hours than their better-off peers, but fewer hours than they would have done before the policy was rolled out. At the same time there has been no investment in the quality of provision, while a trend back to 2010 shows a falling share of low-income children attending state nursery schools and classes, which are the settings with the most highly qualified staff. This trend has gone apparently unnoticed, with no action taken to understand or address it. There were also cuts to other aspects of provision for young children, including sharp cuts for Sure Start Children's Centres. Developing by 2010 into essential community hubs providing a broad range of services for the 0-4s, successive cuts have severely damaged the ability of these centres to ensure that all children and parents have the support, advice and play and learning opportunities they need at this crucial early stage of development.

On social mobility, the verdict in the SPDO social mobility paper (McKnight, section 13) is that the period was mainly one of inaction, with the resignation of all four members of the board of the Social Mobility Commission in 2017 – the body charged with monitoring the government's performance in this area of policy - over lack of progress. One key development was the creation of Opportunity Area Zones in twelve

areas which were introduced to address social mobility 'coldspots'. However, the value for money of this initiative was questioned by the Parliamentary Education Select Committee (Education Committee, 2019). The SPDO social mobility analysis examines recent social mobility in the UK focussing on absolute social class mobility using data from the Labour Force Survey. These show little overall change in social mobility between 2014 and 2018. Opportunities for upward absolute social mobility appear to be more limited for some ethnic groups; particularly Black African men and women, and Black Caribbean men, even after accounting for origin class and disadvantage associated with first generation immigrant status. Risks of downward absolute social mobility are also higher for Black African men and women, and Black Caribbean men, as well as and Pakistani/Bangladeshi men and women, even after accounting for origin class and first generation status (Macmillan and McKnight, forthcoming).

Across other SPDO policy areas:

- Cooper and Lacey show that increasing concern with knife crime and drug market and gang activities involving adolescents has occurred against a backdrop of declining police numbers, stagnating public expenditure following a period of substantial decline and broader cuts to local government and youth services. They conclude that the failure to adequately invest has inhibited the delivery of the major preventative approaches to inter-personal violence that were advanced during the period (c.f. this report, section 11).
- A forthcoming SPDO paper will provide strong evidence that significant reductions in several indicators of adolescent disadvantage, including school exclusion, school absence, teenage conceptions, and adolescent drinking and drug use that occurred during Labour's period in power (1997-2010) and the early Coalition (Dean and Wallace, 2018) have subsequently stalled or reversed (Wallace, forthcoming). The paper cites evidence on adolescent drug misuse from the 2018/19 Crime Survey for England and Wales, which shows that the proportion of school aged children reporting use of drugs in the last year increased between 2014 and 2018, with the proportion who had used Class A drugs within the last year increasing for both for 11-15 year olds and 16-24 year olds. Young people were becoming more involved as suppliers as well as in consumption: the proportion of people sentenced for drug supply who were aged under 21 increased between 2013 and 2018, and the exploitation of vulnerable young people by drug gangs is a major element of the "county lines" phenomenon (Wallace, forthcoming).
- Broader analysis of cuts to local authority expenditure on youth services in England and Wales shows a real terms decline of 71% between 2010/11 and 2018/19 with even greater reductions in some regions including the West Midlands and North East (YMCA, 2020).

The SPDO health and employment papers highlight recognition of the productive role of investment in mental health as part of the mental health transformation strategy launched by Prime Minister Theresa May

as a positive development. However, investment in the local authority public health budgets were cut and the major drive on preventative health and reducing health inequalities promised in the Coalition's reforms was not delivered – with catastrophic consequences for economic productivity in the wake of the public health crisis. Indeed, the interconnectedness of social risks across different critical life domains and the need for a new multidimensional approach to social investment which recognises the potential for the transmission of downside risk across multidimensional life domains – for example, transmission effects whereby a public health emergency becomes a crisis in living standards and vice versa – is a key social policy lesson.

Looking across the 10 social policy areas, on the eve of the COVID-19 pandemic, there was mounting evidence of a slowdown in social progress and a widening of deep structural inequalities across multidimensional areas of life

Fifth, the SPDO evidence base provides substantial evidence of high and sometimes rising levels of unmet needs across different domains. Many of the key social disadvantages and deep social inequalities that we consider in this report had failed to improve and these remained a substantial social problem on the eve of the pandemic. Moreover, looking across the different SPDO social policy areas, there is evidence that some key indicators of social outcomes and social inequalities across multidimensional areas of life were already on a worsening trajectory *prior* to when the public health emergency struck. Progress in relation to key social outcome indicators had already slowed down, stalled or gone into reversal *prior* to when the COVID-19 pandemic struck while several key indicators of deep social inequalities had widened.

Looking across the SPDO research programme as a whole, our outcomes analysis provides strong evidence that social progress was slipping on the eve of the COVID-19 pandemic across eight critical areas of life:

- **The SPDO social security paper (Cooper and Hills, c.f. section 4 and Cooper and Hills forthcoming) presents strong evidence that in the run up to the COVID-19 pandemic, social progress in reducing income poverty had stalled.** Overall rates of relative income poverty after housing costs in the UK increased from 21% in 2014/15 to 22% in 2018/19 with increases recorded for some social groups for whom poverty rates are particularly high. Rates for individuals living in single parent households peaked in 2016/17 (with rates remaining higher in 2018/19 than they had been in 2010/11), while increases were recorded for individuals with Pakistani, Bangladeshi and Black ethnic backgrounds. The paper also identifies *rising child poverty* on the eve of the pandemic as a

major concern. After housing costs, overall relative child income poverty in the UK rose after 2012-13 to rates of 30% in 2015-16 – a level previously seen in 2009-10 – and remained at this level in 2018-19. After a long period of social progress in reducing child poverty rates for children living in single parent families, there was an increase for three years in a row between 2014/15 and 2016/17 with rates peaking at 49%, before falling back somewhat to 44% in 2018/19. Amongst children living in families with three or more children, rates had fallen to 33% in 2012-13, but increased steeply from 2013-14 onwards, reaching 43% by 2018-19. Steep increases were also recorded for children from a Bangladeshi background (from 57% in 13/14-15/16 to 68% in 2016/17-2018/19) and for children with a Pakistani background (from 47% in 2012/13-2014/15 to 54% in 2014/15-2016/17). These findings reinforce the conclusions reached in a forthcoming SPDO paper that some of the most disadvantaged and at risk groups of children were disproportionality impacted by rising rates of child poverty during the second decade of the 21st century (Vizard, Obolenskaya and Treebhohun, forthcoming). Cooper and Hills report the evidence on more severe forms of deprivation including destitution and food insecurity and identify increased hardship associated with social security payment delays and deductions as a key concern. The latest evidence suggests that destitution was rising prior to the COVID-19 pandemic with an increase recorded between 2017 and 2019 (JRF, 2020a). Evidence on broader multidimensional harms that have been identified as being associated with social security reforms - including emerging evidence of adverse impacts on mental health and domestic abuse - is also reported.

- **The SPDO employment paper (McKnight and Cooper, c.f. section 5)** identify several positive developments in relation to overall employment rates, minimum wages, earnings inequalities and gender pay gaps. However, there were signs by 2019 that progress in employment and unemployment was levelling off. In addition, rates of young people not in employment, education or training had stopped falling by 2017. Large regional disparities in employment and unemployment remained and there had been no further improvements in convergence since 2015. Employment gaps were particularly large for employees from a Pakistani or Bangladeshi background and employment gaps were even greater for women. Analysis of average earnings by age cohorts reveals that younger cohorts have lost out the most from the sluggish growth in wages and earnings in the period since the financial crisis in 2007/8, with average annual earnings for these cohorts lower in 2019 remaining lower than they had been prior to the crisis (in 2005). In-work poverty rates also increased during the second decade of the 21st century - with nearly two million full-time employees living in poverty in 2017/18. The SPDO Indicator exercise shows that particularly high rates of in-work poverty were recorded for

single parents and individuals from Bangladeshi, Pakistani and Black ethnic minority households, for details, on which, see section 3.3).

- **The SPDO early childhood paper (Stewart and Reader, c.f. section 6) raises major concerns about stalling social progress affecting young children under five and their families in the run up to the COVID-19 pandemic.** The paper identifies rising child poverty amongst young children as a major concern. Looking at breakdowns in relative child poverty after housing costs by the age of the youngest child in the household (up to age 11-15) in the UK, the increases were largest for families where the youngest child is aged 0-4 years, and this effect is especially striking for those with a baby or toddler age 0-1. There were indications of widening inequalities in the share of children at a 'good level of development' in England, as assessed by teachers at the end of reception, and in key child health indicators including low birthweight in England and Wales. Both these developments follow a number of years of positive trends. Inequality also increased in child obesity at age five, while the infant mortality rate in England and Wales increased for three consecutive years to 2017, an unusual development in historical perspective.
- **The SPDO education paper (Lupton and Obolenskaya, c.f. section 7) also presents a picture of stalling social progress in the run up to the COVID-19 pandemic. Little or any impact had been made on inequalities and there was increasing evidence of the most vulnerable missing out.** While attainment at primary level showed small signs of improvement, progress at age sixteen had stalled and on some indicators gaps were increasing. The proportion of young people achieving Level 2 at age 19 had fallen - with a worsening in the position for students eligible for free school meals, from disadvantaged areas and for those with special educational needs. Exclusions (including permanent exclusions) were also on the increase prior to the COVID-19 pandemic - and this was disproportionately impacting on more disadvantaged groups. The Government's apprenticeship reforms failed to increase the opportunities available with a fall in apprenticeship new starts for young people under 19.
- **The SPDO health paper (Vizard et al, c.f. section 9) reports that adverse mortality trends pre-dated the coronavirus pandemic with concerning episodes of high excess mortality and a slowdown in improvements in population life expectancy during the second decade of the 21st century.** The slowdown in improvements in life expectancy in England affected males and females across deprivation deciles, but was more marked for those in the poorest deprivation deciles, particularly for women living in the most deprived decile - for whom life expectancy declined between 2011-13 and 2016-18 (with a decline also

recorded between 2013/14 and 2016-18, during the period we focus on in this report). The substantial gaps between local government areas in the UK with the highest and lowest life expectancy *widened* between 2013-15 and 2016-18, particularly for women. The suicide rate in England had *increased sharply* in 2018 and remained high in 2019 in the run up to the pandemic.

- **The SPDO social care paper (Burchardt et al, c.f. section 10) identifies major concerns around high levels of unmet need for care on the eve of the COVID-19 pandemic - with the most disadvantaged disproportionately affected.** This analysis highlights the extent of unmet need for care in England – particularly in deprived areas – where two out of five older people did not receive the help they need with meeting their basic needs. This is more than double the rate amongst older people who are least deprived. The intensity of unpaid care in the UK had also increased, with a rise in the proportion of unpaid carers providing 35 hours of care or more each week between 2015/16 and 2017/18.
- **The SPDO physical safety and security paper (Cooper and Lacey, c.f. section 11) provides strong evidence of a deterioration in social progress relating to violent crime.** After a long period of improvements, data from the Crime Survey for England and Wales shows that there have been no significant reductions in the number of violent incidents since 2015. The period also witnessed increases in knife crime, gun crime and homicides and the paper reports evidence that young Black people aged 16-24 experience a risk of homicide twenty-four times higher than their White counterparts (c.f. (Kumar, Sherman and Strang, 2020)). In addition, it puts the spotlight on the fact that domestic homicide was on an upward trend prior to the COVID-19 pandemic, reaching a five year high on the 2019 (latest) data - with the vast majority of victims being women. There had also been an increase in disproportionality in the application of stop and search, while living conditions and safety for prisoners had declined.
- **The SPDO homelessness and complex needs paper (Fitzpatrick and Bramley, c.f. section 12) shows that in 2010 England and Scotland had similar levels of core homelessness, but that since then they have diverged.** In England levels rose steadily up to 2017, with particular growth in rough sleeping and unsuitable temporary accommodation. Although rates remained high on the eve of the pandemic, the paper provides grounds for optimism in that there were indications of an improvement on some measures after 2017 - coinciding with the major reversal in social policy on localism and homelessness under Theresa May.

The results of the SPDO Indicator set assessment exercise (c.f. section 3.3) raise further major concerns in relation to widening social inequalities in the run up to the COVID-19 pandemic in early 2020. The assessment exercise looks systematically at change since 2015 by different characteristics using the SPDO Indicator Set. The exercise establishes that inequalities by characteristics such as ethnicity, disability, sex, age, geographic area and socioeconomic deprivation remained a major source of social injustice on the eve of the COVID-19 pandemic. Moreover, it provides further strong evidence that there were critical areas of life where social inequalities against key indicators were on a worsening trajectory *prior* to when the COVID-19 pandemic struck. These pre-existing patterns of group risks and vulnerabilities are critical context for understanding the fortunes of different groups during the pandemic itself and why the pandemic impacted in the way it did. Some of the key developments identified in section 3.3 (and [online spreadsheets](#)) include the following:

- **Ethnicity. It is of particular concern that - on the eve of the COVID-19 pandemic - ethnic minority groups reported worse experiences of access to cancer care and lower levels of satisfaction with social care in England than their White counterparts. There is also strong evidence that inequalities were widening for some ethnic groups before the pandemic struck.** Poverty disparities by ethnicity were increasing in the UK across a range of different measures, with individuals from the Black, Pakistani and Bangladeshi ethnic minority groups particularly impacted. It is of major concern that in the run up to the COVID-19 pandemic, relative income poverty had been increasing for individuals from the Black, Pakistani and Bangladeshi ethnic groups, while labour market disparities, such as employment gaps for the Bangladeshi, Pakistani, Mixed and Black ethnic groups, and in-work poverty for the Black, Mixed, Indian and Pakistani ethnic groups⁵⁶, had been rising. The Gypsy Roma ethnic group is particularly disadvantaged in terms of education gaps in England – and on the eve of the pandemic, Level 2 and Level 3 attainment gaps between Gypsy Roma young people and those from a Chinese ethnic background (the highest achieving group) had been widening. Although Black students had higher rates of progression to higher education by age 19 compared to White students, Black graduates had lower levels of high skill employment than White graduates and this gap widened since 2015. In relation to early childhood, gaps in early years good development had been widening for the Black, Mixed and White groups compared to children from an Indian ethnic background (the highest achieving group). As noted above, SPDO social mobility analysis shows that opportunities for upward absolute social mobility appear to be more limited for some ethnic groups; particularly Black African men and

⁵⁶ With ethnicity measured as the ethnicity of the head of the household.

women, and Black Caribbean men, even after accounting for origin class and disadvantage associated with first generation immigrant status. Risks of downward absolute social mobility are also higher for Black African men and women, and Black Caribbean men, as well as and Pakistani/Bangladeshi men and women, even after accounting for origin class and first generation status (Macmillan and McKnight, forthcoming). In addition, despite several initiatives relating to race and disproportionality during the period, ethnic disparities in stop and search had increased, with the largest increase experienced by Black individuals, who also experienced the highest rates of stop and search to begin with.

- **Age/life-stage.** The position of older people was already a major concern, prior to the COVID-19 pandemic. In early 2020 on the eve of the public health crisis, rates of unmet need for care for older people (over 65) in England were highest amongst those over 80, while improvements in female life expectancy at ages 85 and 90 had stalled. Amongst other age groups, young children and children living in single-parent families had been impacted by rising rates of child poverty. In work-poverty rates amongst single-parent families had also been increasing. The relative disadvantages of current cohorts of young adults compared to previous cohorts was discussed in Obolenskaya and Hills (2019) for the period before the Conservatives were in government, and the SPDO employment paper (c.f. 5) shows that younger cohorts have lost out the most from the sluggish growth in wages and earnings during the period since the financial crisis in 2007/8. The ways in which young adults have lost out in the post-crisis period in terms of wages and earnings is also examined in the SPDO employment paper (section 5) while the SPDO indicator set exercise shows that, on the eve of the pandemic, employment rates were lowest amongst young adults aged 18-24.
- **Socioeconomic status. Inequalities in social outcomes by socioeconomic deprivation widened in the period since 2015 across a range of indicators.** This includes widening disparities in rates of violent crime in England and Wales, gaps in Level 2 educational attainment by age 19 in England, and inequalities in life expectancy in the UK. It is also a major concern that on the eve of the pandemic, deprivation disparities in unmet need for social care for those over 65 in England had been widening as well as deprivation gaps in homelessness (as measured by Homeless households in priority need accepted by local authorities and homeless households placed in temporary accommodation). Amongst very young children, inequalities in low birthweight widened between those born into families from a routine or manual occupational class background, compared to those born to families from a professional or managerial occupational class.
- **Geographical area. Children living in London were more likely to experience a good level of early years development and to secure**

level 2 or level 3 educational attainment by age 19 on the eve of the pandemic. London was also the only English region where level 3 educational attainment had been rising, widening the attainment gap between London and all other regions. In contrast, the North East, Yorkshire, Humber and the East Midlands had the lowest levels of level 2 and level 3 attainment. The North East also had the highest permanent exclusions and lowest employment rates - and employment gaps with the South East had increased. Inequalities in higher education participation increased across most regions compared to London (with London recording the highest participation rates). At a lower level of geography, local authority life expectancy gaps were on a widening trajectory when the COVID-19 pandemic struck, while at the country level, rates of violence were highest in Wales.

- **Disability. Social inequalities by disability remained stark on the eve of the pandemic across a range of indicators including relative poverty, anchored poverty, educational attainment and employment.** Key disparities by disability relating to good early years development, Level 2 educational attainment at age 19, permanent exclusion rates for those with Special Educational Needs, and high skill employment for graduates and in-work poverty rates for workers living with at least one disabled person had all widened since 2015.
- **Sex.** There was a notable lack of progress in reducing the levels of violence experienced by women in England and Wales in the run up to the pandemic. This finding adds to evidence on sexual and domestic violence identified within the broader SPDO project, which finds that sexual violence experienced by women significantly increased since 2004/5 (Cooper and Obolenskaya, forthcoming). When sexual violence is included in estimates of violent crime, women were significantly more likely to experience violence than men in 2017/18 (Ibid). Gender gaps in unmet need for social care for the over 65s in England had increased, with women less likely than men to receive support in meeting their basic needs and also less likely to be satisfied with the care and support they receive. There was also some widening of inequalities where males are relatively disadvantaged, all related to education: the attainment gap between male and female students in education (level 2 and level 3 attainment by 19) and the gap in permanent exclusions, as well as progression rates to higher education had also been widening on the eve of the pandemic.

Overall, the analysis in this report shows that the second decade of the 21st century was in many respects a decade of going backwards rather than forwards in terms of the progress made in reducing social disadvantage and social inequalities through social policy making. Looking across the ten SPDO social policy areas, on the eve of the COVID-19 pandemic in early 2020, we conclude that the social security safety net and broader social guarantees across

multidimensional domains of life had been weakened in important respects. The capacity of the welfare state and public services to meet current needs, to protect individuals and groups from downside risk and to improve social outcomes and reduce social inequalities had been eroded. As a result, there was under-protection from and over-exposure to downside risk individually and collectively across multiple domains of life.

14.3 Social policy challenges looking forward: cross-cutting lessons and insights

The aims of the SPDO research programme have not been to offer detailed social policy recommendations or funding proposals for the upcoming period. However, we identify key social policy challenges for the 2020s within each of our individual social policy papers (summarised in sections 4-13) and in the SPDO Brexit paper (Stewart et al, 2019). These show that on the eve of the COVID-19 pandemic, the extent of the social policy challenges were already formidable and that addressing the social policy deficits highlighted in this report already entailed fundamental reforms and investments across the ten SPDO social policy areas.

Our cross-cutting analysis also identifies the importance of a new overarching set of social arrangements and a joined-up set of social reforms that can address each of the five cross-cutting deficiencies in the welfare state and public services identified above. This requires addressing the erosion of the protective capacity of the welfare state that occurred during the second decade of the 21st century. In addition, a series of social reforms are required to ensure that the welfare state and public services are fully adapted to the circumstances and experiences of the new decade including population ageing, changing family structures, the changing labour market and technological change, and are designed both to meet current needs and to guarantee lifetime opportunity and resilience under contemporary conditions. There needs to be a new focus on social investment and investment in people and on forms of social action that addresses 'pre-distribution' and lifetime guarantees and resilience across multiple domains of life, as well as more traditional forms of re-distribution and public service provision. Finally, new social arrangements are required to ensure that there is no return to the stalling social progress of the pre-pandemic period and as a foundation for establishing a positive trajectory in terms of improving social outcomes and reducing social inequalities during the third decade of the 21st century.

Looking across the different SPDO social policy areas, we complete this report by setting out five cross-cutting lessons and insights from the pre-pandemic period about the nature of the new social arrangements that are required in the future. We put forward these insights from the programme as an input into broader discussions and debates about the importance, opportunity and

potential for a transformational new social settlement – a new ‘Beveridge moment’ – as Britain moves into the recovery phase from COVID-19.

Challenge 1: Sustainable funding models as a foundation for a welfare state and public services that are fit-for-purpose for the 2020s

First, looking across the SPDO social policy areas on the eve of the COVID-19 pandemic, the challenge of establishing a welfare state and public services that are fit for purpose for the third decade of the 21st century and the social risks and circumstances of today already posed substantial resourcing challenges. Addressing the social policy challenges highlighted in the individual SPDO social policy papers requires substantial increases in public expenditure which would in turn require a transition to new and sustainable funding models, substantial increases in public expenditure and a fundamental rethink in terms of taxation.

In this report, we have identified that the ‘end of austerity’ was declared by Theresa May in 2018 and that there had already been a substantial fiscal loosening during the period under observation – *prior* to the massive public expenditure allocations associated with the public health shock and economic downturn that resulted from the COVID-19 pandemic. Moreover, prior to the COVID-19 pandemic, the Government’s fiscal rules were relaxed to allow for increased public expenditure on infrastructural investment. Building on proposals in the European context, we highlight the potential for the further relaxation of the Government’s fiscal rules to recognize the productive role of public expenditure on *human* capital accumulation across critical domains of life – the neglect of which we have highlighted above (c.f. Hemerijck *et al.*, 2020).

Broader options and combinations of options – many of which had seemed politically non-viable prior to the COVID-19 pandemic – were being discussed more widely as the pandemic entered its second wave in Autumn 2020 and during the course of the winter months as the virus intensified and a new round of substantial public expenditure injections became necessary. These include higher income tax, green taxes, more equitable taxation including taxation of wealth and assets, hypothecated health and social care taxes or premiums and a greater role for social insurance, with more emphasis on contributory elements and income replacement that more closely aligns to previous wage levels.

At the time of writing, the financial challenges that follow from the analysis in this report have been compounded by the unprecedented public expenditure injections associated with the COVID-19 pandemic, which straddle all of the social policy areas we have considered. The additional public expenditure injections to date have addressed the extra costs triggered by the public health

crisis and its broader consequences across different policy areas. They do not address the previous under-investment of the last decade or the medium and longterm additional costs that are resulting from COVID-19 across multiple social policy areas. **One-off taxes tailored to those businesses and sectors that have seen windfall *gains* in profit during the pandemic, and 'solidarity taxes' orientated towards individuals, including many professionals, whose income and welfare losses have been lower during the COVID-19 pandemic may help here in the short run.**

Challenge 2: Strengthened social rights and accountability mechanisms and social rights for improving social outcomes and reducing social inequalities

A second key cross-cutting social policy challenge relates to the need to strengthen and embed more effective accountability mechanisms for driving improvements in social outcomes and reducing social inequalities during the next decade. The stalling of social progress in the second decade of the 21st century coincided with a break in emphasis on national outcome targets under the Coalition and resulted in a dilution of overall accountability for improving social outcomes and reducing social inequalities across different social policy areas.

During the period under observation, legal accountability mechanisms for reducing child poverty were substantially weakened. As the SPDO early childhood paper (section 6) highlights, the statutory duties on public authorities to reduce child poverty and associated specified time-bound targets which had been included in the Child Poverty Act 2010 were effectively repealed by the Welfare and Work Act 2016. The SPDO Scottish devolution paper (Stephens and Fitzpatrick, 2018) examines how retrogression in relation to legal accountability mechanisms for reducing child poverty in England sharply contrasts with the position in Scotland, with increasing divergence in relation to rights-based anti-poverty policies. The 2017 Child Poverty (Scotland) Act established four statutory time-bound child poverty targets in the Scottish context. More broadly, the repeal of statutory duties to reduce child poverty in England contrasts with innovative approaches to addressing child poverty in rich countries internationally, such as new child poverty legislation enacted in New Zealand in 2018⁵⁷.

The SPDO education paper highlights the dilution of the role of democratic control and accountability for schools that has resulted from the academisation and free school programme. It highlights concerns that, as a result, a period of 'hyper-localism' was evident in the run up to the COVID-19 pandemic (c.f. section 7).

The SPDO city region paper (Lupton *et al.*, 2018) provides strong evidence that devolution in England has been pursued in a partial,

⁵⁷ Child Poverty Reduction Act 2018 and the Children's Amendment Act 2018 <https://dpmc.govt.nz/our-programmes/reducing-child-poverty/child-poverty-reduction-and-wellbeing-legislation>

patchwork and bespoke way, both in terms of the geographies covered and the powers devolved. As a result, on the eve of the pandemic, England was left with a highly centralised governance model. More generally, moves towards devolution of some powers to combined authorities has happened at the same time as an erosion and weakening of the role and capacity of local government through years of cuts, and the failure of new roles for local government – such as the pivotal role of local government as a ‘bottom up’ driver of improvements in preventative health and reductions in health inequalities – to be adequately resourced (c.f. section 9).

The SPDO social mobility paper puts the spotlight on weak accountability mechanisms in the context of the Social Mobility Commission. The Commission has set out multiple recommendations since its inception, but lacks powers to ensure that its recommendations are acted on and delivered (c.f. McKnight, section 14).

The Joint Committee on Human Rights has also argued that the enforcement powers of the Equality and Human Rights Commission are too weak. This conclusion was reached in the light of the racial and ethnic disparities being experienced during the COVID-19 pandemic, as well as the Black Lives Matter movement and broader experiences of racial and ethnic inequalities in the context of COVID-19. A recent report characterised the Commission as not fit for purpose in protecting human rights including black people’s human rights, including within healthcare, the criminal justice system, nationality, immigration and democracy, and called for increased resources and a strengthened-enforcement mechanisms (Joint Committee on Human Rights, 2020).

At the same time, looking across the SPDO research programme, there are also examples of important advances in relation to statutory duties to improve social outcomes and reduce social inequalities in social policy areas including health, homelessness and physical safety and security, and these can be built upon. In health, new statutory duties to promote good health and to reduce health inequalities were a widely welcomed innovation in the Health and Care Act 2012 under the Coalition and have become increasingly embedded within policy frameworks across the healthcare and public health sectors. In addition, there has been a shift towards outcomes-based health monitoring in the period since the Coalition’s reforms, for example, with the development of the NHS Outcomes and Public Health England Outcomes Frameworks (c.f. section 9).

The SPDO homelessness and complex needs paper highlights an important breakpoint under May in relation to the retreat from localism and the re-establishment of a national framework of rights and responsibilities. The Homelessness Reduction Act (2017) provided a new national framework of homeless duties and a new focus on prevention, while central funding for Housing First pilots was introduced, with early positive impacts (Fitzpatrick and Bramley forthcoming, c.f. this report section 12). Shelter referred to the Homelessness Reduction Act 2017 as the biggest change

to the rights of homeless people for fifteen years, creating two new statutory duties: the duty to prevent homelessness, and the duty to relieve homelessness (Garvie, 2018). There are some indications of an improvement in homelessness outcomes on at least some measures following the introduction of statutory duties in the 2017 legislation, with outcomes at least against some measures started to plateau at around this time, although core homelessness measures showed resumed growth in 2018 and 2019.

Other developments between May 2015 and early 2020 provide further precedents for taking forward a public duties approach. An intention to introduce a new statutory duty on public bodies such as the police, NHS Trusts, schools and youth offending services was announced by Sajid Javid in July 2019 under Theresa May's premiership, as part of a new serious violence strategy, with the aim of strengthening accountability and promoting a multi-agency approach. The domestic abuse bill introduced into the 2017-19 parliament also included new statutory duties on local authorities to support victims of domestic abuse, although the passage of the bill was delayed by events in summer 2019 and then by the COVID-19 crisis.

In 2017, new guidelines were published under the Equality Act which made it mandatory for employees with more than 250 employee to report annually on gender pay gap information. This measure represented an important strengthening of transparency, giving the publication of gender pay gap information a statutory basis. This measure provides a potential model for the expansion of pay gap reporting for monitoring inequalities by other characteristics, such as ethnicity, although it has been critiqued by some for focusing on a procedural requirement (that is, the legal requirement to report annually on gender pay gap information) rather than a statutory target (for example, a legal requirement to progressively reduce the gender pay gap over a specified time-period). Others have defended a focus on transparency rather than targets and outcomes in expanding opportunity and driving social change (Truss, 2020).

Looking forward, there is a need to embed a variety of mechanisms such as statutory duties, rights-recognitions, statutory outcome-orientated targets and enforcement mechanisms that can strengthen overall national, regional and local accountability mechanisms for improving social outcomes and reducing social inequalities over the next decade. Other proposals include the introduction of formal requirements to give 'due regard' to the recommendations of bodies such as the Social Mobility Commission and the extension of protected characteristics under equality legislation to include statutory duties regarding socio-economic inequalities, as originally included in section one of the Equality Act 2010, but which has not come into force.

Challenge 3: Developing multi-dimensional strategies and interventions that join up different social policy areas and extend across multiple life domains

Third, building on the approach developed in McKnight et al. (2019), McKnight (2020) and Bucelli et al. (forthcoming), a key social policy challenge for the upcoming period is to move more systematically towards *multidimensional thinking* in social policy.

The importance of overarching multidimensional policies and strategies is highlighted in several SPDO research papers, including the advancement of multidimensional preventative approaches in the context of inter-personal violence (section 11) and the social determinants approach in the context of reducing health inequalities (section 9). While the period has witnessed continued under-investment in the delivery of multidimensional policies and strategies of this type, and implementation on the ground remains piecemeal, official recognition of the importance of these approaches and their adoption as social policy frameworks, for example, in the Serious Violence Strategy advanced under Theresa May and the monitoring outcomes framework work used by Public Health England have nevertheless been important steps forward.

- In the context of the Serious Violence Strategy, the Government recognized that addressing serious violence is not only a law enforcement issue, but requires a multi-agency approach focusing on prevention and early intervention, bringing together multiple areas of social policy including education, health, social services, housing, youth and victim services (Home Office, 2019b). The SPDO physical safety and security paper identifies this as an important policy development, although it notes that it has occurred at the same time as the cumulative erosion of the capacity of local government through years of cuts (Cooper and Lacey, c.f. section 11).
- In the context of the social determinants approach to health, Public Health England have recognized the broad social and economic circumstances that influence health throughout the lifecourse including income, housing, child development, education and employment (Public Health England, 2017), although translation into policy remains limited, and recognition of the social determinants of need for social care (and the corresponding social gradient in unmet need) has hardly begun. The Government embedded the ambition of improve healthy life expectancy by five years by 2035 and narrowing inequalities in this outcome into its industrial strategy (Department for Business, Energy & Industrial Strategy, 2019).

The SPDO social security paper (section 4) also provides particular insights on how the transmission of social policy effects in one life domain (living standards) can be transmitted into broader effects across multidimensional areas of life. The effects of social security reforms

and the intensification of punitive sanctions during the second decade of the 21st century have been reflected in adverse outcomes in the living standards domain such as rising child poverty and extreme forms of hardship reflected in the expansion of food banks, rising homelessness and forms of severe deprivation. In addition, these effects have been transmitted into other life domains, with broader manifestations in the life and health domains (suicide and mental health), risk of physical safety and security and employment domains (for example, reliance on informal and unsafe work such as sex work in order to make ends meet, and domestic abuse in some instances) and individual life (lack of dignity and respect).

The SPDO city region paper (Lupton *et al.*, 2018) identifies how new devolution arrangements in England might support the beginnings of a new model of joined-up city-region government. This includes pilots and innovations in areas such as health and social care, and criminal justice, with the potential to link economic and social policies and pool and move funds from one social policy 'pot' to another within specific geographies.

While progress has been made, holistic, multi-agency approaches remain the exception rather than the rule. Looking forward, these need to be embedded systematically. It is essential that there is much more focus on combinations of policies (or policy mixes) that address deficits across multiple domains of life simultaneously - such as:

- **Multidimensional health inequalities strategies** that address the social determinants of health and needs for care and the importance of physical and mental health within broader social and economic policies;
- **Multidimensional anti-violence strategies** that address the advantages of a public health approach to violence, the relevance of multiple areas of social policy and the need for broader investment in youth;
- **Multidimensional anti-poverty strategies** that address the need for more adequate social investment in education and skills and social security protections, alongside minimum wages;
- **Multidimensional anti-racism strategies** that address the root causes of discrimination and disparities across multiple areas of life.

Challenge 4: Strategies and policies that give genuine first priority to the needs of the most disadvantaged and to the reduction of social inequalities

Fourth, as Britain recovers from the COVID-19 pandemic a fundamental challenge will be to transition to a new 'social policy regime' that will set in motion a positive trajectory in terms of improving social outcomes across multidimensional life domains in the 2020s. A new social policy framework of this type must give first priority to comprehensive public action to meet the needs of the most disadvantaged and to reduce social inequalities.

The Coalition committed to protecting the needs of the most vulnerable during the period of structural adjustment following the financial crisis and subsequent recession at the beginning of the second decade of the 21st century. However, the SPDO evidence base demonstrates that the position of some of the most disadvantaged and at risk social groups deteriorated during the course of the second decade of the 21st century. Looking forward, a new cross-cutting prioritisation principle is required as a foundation for driving reductions in social disadvantage and social inequalities during the third decade of the 21st century. A prioritisation principle of this type should not be confused with the shift away from 'progressive universalism' that has characterised the second decade of the 21st century. It requires the adoption of comprehensive new strategies that address social disadvantage and social inequalities comprehensively combining universal services with additional interventions to support those with additional and / or different needs. Examples include:

- Universal child benefit supplemented with means tested support for families with children;
- Universal health services supplemented with targeted measures focused on disadvantaged groups to address health inequalities;
- Universal early childhood provision supplemented by targeted measures to support at risk children.

As demonstrated by our analysis, the identity of the 'worst off' varies across policy areas – it may be pupils eligible for Free School Meals or with Special Educational Needs, or women who are over 80, or low birthweight babies, or young Black men. We also highlight that social policies that address the needs of the most disadvantaged and reduce social inequalities are in many ways 'silver bullets' in terms of driving up overall social outcomes. Measures to reduce income poverty and income inequalities are likely to be particularly effective since the positive effects of greater security in the standard of living domain are likely to have substantial positive externalities in terms of improving social outcomes across other social policy areas, such as health, care, education and physical security.

Challenge 5: A new values-based approach to social policy: dignity and respect, recognition and social value

Fifth, the SPDO evidence base offers insights into new values-based approaches in social policy. These are gathering momentum and can potentially play an important role as drivers of positive social change going forward. The challenge for social policy is to embed values such as dignity, respect, recognition and valuation into overall systems and within service delivery mechanisms and processes, and to ensure that these values are reflected in people's lived experiences and their interactions with the welfare state and public services.

The following examples are identified in the SPDO research programme:

- **The SPDO Scottish devolution paper examines new approaches to social security in Scotland.** Following on from the devolution of some social security benefits and the ability to make some adjustments to UC in Scotland, the Social Security (Scotland) Act 2018 established the new guiding principles of the Scottish social security system and introduced them into law. The Act makes human dignity the primary focus of the Scottish social security system, building on concepts of human rights. It was intended as a foundation for a new approach to social security in Scotland (Stephens and Fitzpatrick 2018; c.f. SPDO social security paper, Cooper and Hills forthcoming).
- **In the English context, there has also been increasing emphasis on how fundamental principles such as dignity and respect can be adopted within social policy frameworks as drivers of social progress.** The SPDO health paper (section 9) highlights how the translation of principles of dignity and respect into fundamental standards of care has been an important element of the health systems response to the Mid-Staffordshire care scandal and is pivotal to the quality improvement agenda and the concept of integrated and person-focused care. During the period under observation, there has been a growing consensus on the foundational role and importance of fundamental principles of dignity and respect, for example, in the speeches of Jeremy Hunt (BBC News, 2014).
- **The SPDO social care paper (section 10) identifies how values-based social policy approaches could provide a foundation for positive social change.** Burchardt and Obolenskaya argue that the failure to recognize and value the care workforce and unpaid carers has been central to the current crisis in social care and its ongoing consequences during the COVID-19 pandemic. Conversely, principles of recognition and valuation are critical foundations for fit-for-purpose social care arrangements for the 21st century. Social policy in areas such as social care and social security should also be underpinned by principles of adequacy, which are essential for individual dignity and independence.

14.4 Final observations

The analysis of social policy developments in this report ends on the eve of the COVID-19 pandemic. In the period since early 2020, the public health crisis, and the subsequent economic and social shocks that it has unleashed, have resulted in simultaneous, rapid and far-reaching developments in multiple areas of social policy including health, social care, social security, employment, education, homelessness and policing and public safety. In a matter of months, the social policy landscape has been reshaped, with major and potentially transformative

developments in each of these areas, radical changes to legal and regulatory frameworks and unprecedented injections of public expenditure. New forms of public action are re-mapping the contours and role of the state and re-defining its relationship with markets and the voluntary sector.

The challenges of pandemic control and of delivering adequate economic and social protection have tragically shone a light on many of the weaknesses in public services and the welfare state that were present on the eve of COVID-19, and which we have highlighted in this report. It has also exposed the lack of progress in social policies during the recent period in improving outcomes and reducing inequalities, as well as putting the spotlight on key policy failures and omissions preceding the pandemic. This includes the failures of social care reform and the failure to resource and deliver the 'bottom up' drive on preventative health and health inequalities that was promised as part of the Coalition's health reform programme at the beginning of the second decade of the 21st century.

At the same time, the pandemic is generating new seismic social policy challenges in both the short-run and the long-run with massive increases in need occurring across multiple social policy areas simultaneously. It has resulted in what, in Amartya Sen's terminology, can be described as a "capabilities shock" - a rapid contraction in people's central and valuable basic freedoms and opportunities across multidimensional domains of life, with a sudden and sharp deterioration in outcomes including mortality, mental and physical health, support, care and loneliness, education, domestic violence and living standards. Moreover, the distribution of capability-losses is not equal. The pandemic is both exacerbating pre-existing inequalities and resulting in new inequalities, with the interaction of characteristics such as occupation, housing quality and ethnicity compounding the risks and vulnerabilities of disadvantaged groups. In the short-run, delivering an effective policy response entails the minimisation of capability-losses across multidimensional life domains and an equitable distribution of the welfare losses that accrue.

Looking forward, as Britain transitions into the recovery phase, there will be a need for a new social policy framework that can drive up social outcomes and reduce inequalities during the third decade of the 21st century. At the time of writing, there is a growing sense that the pandemic could potentially trigger a transformative moment in social policy. The public health emergency itself has tragically demonstrated the critical and urgent importance of establishing a more generous and effective multidimensional guarantee that meets the changing needs and circumstances of the 21st century across different social policy areas; that prevents the transmission of downside risk across multidimensional domains; that results in lifetime accumulation of human capital; and that provides greater individual and collective protection from and resilience to (multidimensional) shocks. In addition, the pandemic has resulted in increased knowledge and understanding of the nature, scope and consequences of social inequalities, has changed perceptions of individual risks and shared vulnerabilities, and has resulted in the emergence of new pro-social attitudes,

such as increased recognition and respect for the role of critical workers. It has brought to public attention the extent to which the capacity of key public services to deliver improved social outcomes such as education and good physical and mental health is impeded by deeply embedded forms of social disadvantage and structural inequalities. In parallel, the Black Lives Matter movement has exposed the persistence of ethnic inequalities and has moved these up the political agenda.

These changes, together with some key aspects of the Government's pandemic response, raise the possibility that new egalitarian institutions and social arrangements could be a positive legacy of this moment in history. There is a growing sense that the gravity and scale of the challenges we face looking forward must surely necessitate a new set of social arrangements and a process of fundamental social reform. Broader discussions and debates about the importance, opportunity and potential for a transformational new social settlement - a new 'Beveridge moment' - as Britain moves into the recovery phase from COVID-19 have begun.

As part of these broader discussions and debates, it is critical that the lessons from the second decade of the twenty first century are not obscured by the enormity of the pandemic itself. The assessment of the state of social disadvantage and social inequalities on the eve of the pandemic and of the social conditions and social failures that followed a decade of austerity must be centrally addressed within any future inquiry on the impact of the COVID-19. The slowdown of progress in relation to key social outcomes, the widening of key social inequalities that had already occurred prior to the COVID-19 pandemic, and the patterns of vulnerabilities and risks of different social groups that prevailed when the pandemic struck in early 2020, are all essential to understanding subsequent events and the impact of the pandemic itself. We put forward this report and our record of developments across ten social policy areas between May 2015 and pre-COVID 19 as one input into this broader reflection.

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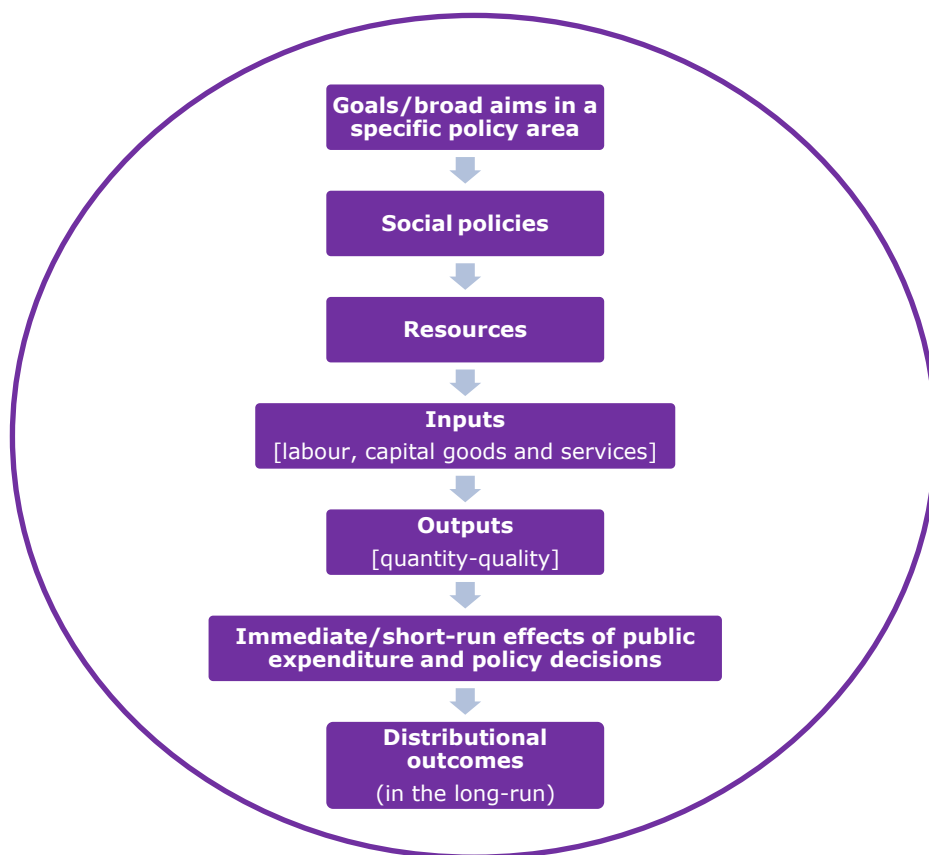
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Appendix 1: Methods and approach to social policy analysis

Figure 45 below sets out the analytical framework that we use in this report to examine social policy developments within each of the ten SPDO focus social policy areas. We adopt a comprehensive and consistent approach to social policy analysis by examining: (1) the broad policy goals for each social policy area, evidenced by manifesto commitments and other key statements; (2) the actual policies and measures adopted in each area; (3) public expenditure trends (including where feasible and meaningful per capita and in relation to demand / need); (4) inputs and outputs (how resources were spent and what was produced from this – services, buildings and infrastructure, staffing etc.); (5) the outcomes achieved (e.g. poverty, mortality, educational attainment), and inequalities in these outcomes. The analytical schema distinguishes between immediate, short-run consequences of public spending and policy decisions (which can be captured through service-specific indicators such as delays in hospital discharges and other data that is available within a year), and cumulative, longer-run impacts of policies, combined with wider contextual factors, which are reflected in the distribution of social outcomes (which can be captured through indicators like income, health and educational inequalities, data which are often available only with considerable lags).

Figure 45 captures how evidence on **outcomes** in one social policy analysis period become the **baseline** for our social policy analysis within the next analytical time window. Within any given time period, the baseline of outcomes and inequalities at the beginning of any period interacts with social policy making and public expenditure decisions, as well as the broader context of social policy making within that time period, for example, broader economic conditions and policies, technological change, demographic pressures such as migration and population aging, and political devolution. The combined effect of these factors produces a new set of outcomes which forms the baseline for the next period. For example, for our current round of social policy analysis within the SPDO research programme, we take outcomes from the Coalition as our baseline, and examine in detail the current context for social policy making, policies, spending and their short-run consequences, and look ahead to the challenges for the future.

Figure 45: Analytical framework for social policy analysis



Source: adapted from Lupton et al. (2013). Note: Arrows denote steps in the analytic chain but not causality through the chain. The background circle denotes the broader universe of other policies, the economy and society, which shape all stages.

SPDO social policy areas

The SPDO research programme has undertaken in-depth social policy analysis using the analytical schema above within ten major areas of social policy. These are:

- Social security;
- Employment;
- Early childhood;
- Education;
- Higher education;
- Health;
- Social care;
- Physical safety and security;
- Homelessness / complex needs;
- Social mobility.

The current overview paper sets out and synthesises key findings from the SPDO social policy analysis, looking within and across these ten social policy areas.

Within this overview paper, following on from this introductory chapter, we provide summaries of the key findings from each of the ten individual social policy areas. The in-depth analysis in the social policy papers that underlie the current overview paper can be downloaded from the SPDO research programme website <http://sticerd.lse.ac.uk/case/new/research/spdo/default.asp>.

SPDO groups

Within the broader SPDO research programme, our analysis of distributional outcomes is informed by the recognition of protected characteristics within equality legislation, as well as a concern with additional disadvantaged and at risk groups. Within the SPDO research programme as a whole, we have a particular emphasis on inequalities by:

- Gender,
- Age,
- Race/ethnicity,
- Disability,
- Geographical area,
- Socio-economic status.

More detailed distributional analysis of outcomes by these characteristics is available in separate SPDO research outputs. Within our social policy analysis, we examine breakdowns by the same characteristics wherever it has been possible and our SPDO Indicator Set provides a cross-cutting analysis of the trends and experiences of the SPDO groups later in this introductory section. This evidence informs our analysis of the extent to which progress has been made in addressing social inequalities through social policies over the period May 2015 to pre-COVID 2020.

SPDO time window

Our current round of analysis focusses on the period May 2015 to pre- COVID 2020. Within this time window, we examine the Conservatives social policy record, examining goals, public expenditure and social policy decisions across the ten SODO major social policy areas and their short-run consequences. We acknowledge that data lags and lagged social policy effects mean that our evidence base on outcomes is limited in important respects.

Note that the social policy analysis within the SPDO research programme builds on our previous Social Policies in a Cold Climate (SPCC) research programme, which provided analysis of social policy developments under the Coalition (2010-2015) and under the three administrations of Labour Government (1997-2010) using a similar analytical schema covering goals, public expenditure, inputs/outputs and outcomes (Hills and Stewart, 2004; Hills, Sefton and Stewart, 2009; Lupton, Hills, *et al.*, 2013; Lupton *et al.*, 2015). More information and

other publications in the series are available at the project webpage:
http://sticerd.lse.ac.uk/case/_new/research/spdo/default.asp.

Our approach to causality

The analysis within the SPDO research programme adopts a cautious approach to making causal claims, informed by: the theoretical and empirical challenges in establishing causality; the evidential thresholds for causality and “impacts” that are increasingly emphasised within the policy evaluation literature (e.g. natural experiments, RCTs, modelling, etc.); data lags (that is, we do not have access to outcomes data up to 2020); and anticipated lags in the effects of expenditure and social policies on overall outcomes (‘effect’ lags). In particular, the SPDO research programme does not aim to conduct ‘policy evaluation’ of the effects of specific policies in the sense that might be obtained by randomised controlled trials; rather the value of our approach is in charting the combined and cumulative effects of policies across social policy domains, within a given context, on the overall distribution of social outcomes. Policies have a many-to-many rather than a one-to-one mapping with social outcomes, and they also often have lagged effects: for example, the effects of pension freedom, academisation and NHS reform under the Coalition government are still being worked through. However, the ten detailed social policy papers do review the available evidence from specific social policy evaluations and EU and OECD comparative data where this is available and informative.

Appendix 2: Supplementary Information on Public Expenditure

Table 4 Key findings on public expenditure trends across SPDO social policy areas

<p>Social security (Cooper and Hills forthcoming)</p>	<ul style="list-style-type: none"> • Total spending on social security and tax credits in Great Britain fell in real terms between 2014-15 and 2019-20 from £226.5bn to £220.6bn, equivalent to a 2.3% cut. • Spending on social security related to children was particularly impacted in the current period; the authors estimate that spending on children-related social security was cut from £44.2bn to £36.9bn (equivalent to real terms fall of 16.5%) between 2014-15 and 2019-20. The reduction to children-related social security also predates the current period, with 21% cuts in it overall since 2009-10. • Taking the number of children in GB into consideration, expenditure on children-related social security per child fell at an even faster rate than the total – decreasing by 25% between 2009-10 and 2019-20, with the majority of the cuts per child taking place since 2014-15, the period when the number of under 18s actually declined in GB. • Real terms spending on pensioners remained virtually the same in 2019-20 (£123.7bn) as it was in 2014-15 (£123.8bn), which represents a real terms increase per person as the number of people of pensionable age fell and the state pension age increased. • Spending on working age benefits increased over the period (from £58.5bn in 2014-15 to £60.0bn in 2019-20, equivalent to a 2.6% increase). • In the preceding period, 2009-10 to 2014-15, the authors show that total spending on social security benefits and tax credits increased from £214.8bn to £226.5bn (equivalent to 5.4% increase over the period).
<p>Education (Lupton and Obolenskaya 2020)</p>	<ul style="list-style-type: none"> • In England, the total current expenditure on under 16s in schools remained broadly the same in 2014-15 and 2018-19 (£49.26bn and £49.22bn, respectively), with a notable increase in Academies funding and broadly stable expenditure on Pupil Premium. • However, the rise in pupil numbers meant that per pupil spending actually fell between 2014-15 and 2018-19: by 3.1% in primary school and 6.4% in secondary schools, although the latter also increased in sixth forms.⁵⁸These figures indicate that the real terms per pupil spending cuts by schools began from 2014-15 for primary schools and from 2016-17 for secondaries.

⁵⁸ Britton et al. (2019) cited in Lupton and Obolenskaya (2020)

	<ul style="list-style-type: none"> • Including LA spending on under 16s in schools (and excluding sixth forms), the cuts per pupil began even earlier, with the total per pupil spending falling by 8% between 2009-10 and 2019-20 (2% since 2014-15).⁵⁹ • Spending on post-16 education in England had also been falling even before the current period, and it continued to decline. Between 2014-15 and 2018-19 spending on 16-18 year olds in further education and sixth form colleges fell by 13% from £4.26bn to £3.70bn; and spending on school sixth forms by 18% (from £2.47bn to £2.03bn).⁶⁰ • Spending on Adults learning and skills continued to fall. Between 2010-11 and 2015-16 expenditure by the Skills Funding Agency (England) on Adult further education shows that: a) expenditure on community learning and offender learning stayed constant; b) Adult Skills Budget spending fell by 32% in cash terms (from £3.63bn to £2.48bn), despite increasing expenditure on apprenticeships within these figures.⁶¹ At the 2015 Spending Review, the plan was to keep the funding for Adult Education Budget (AEB) (which excludes apprenticeships) constant at £1.5bn in real terms up to 2019-20. But a portion of that money was subsequently spent on other priorities within the Department of Education reducing the AEB budget to £1.34bn from 2016-17 onwards, resulting in the cuts to the budget (Ibid.).
Early childhood (Stewart and Reader forthcoming)	<ul style="list-style-type: none"> • Spending on benefits related to young children in England fell between 2014-15 and 2018-19 (from £10,747m to £9,412m), while expenditure on services for young children increased over the same period (from £5,410m to £5,703m). Taken together, total spending on early childhood (services and benefits for young children) was cut in real terms by just over 6.5% between 2014-15 and 2018-19. In the period between 2011-12 and 2014-15, total spending on young children fell by 7.2%.
Higher education (McKnight and Obolenskaya forthcoming)	<ul style="list-style-type: none"> • Government expenditure on Higher Education remained broadly stable in real terms between 2015-16 and 2019-20, at just under £11bn a year.⁶² This includes a marked increase in the estimated expenditure on loans which are not expected to be paid off, a decline of spending on (maintenance) grants as well as direct spending on teaching and research.
Health (Vizard, Obolenskaya, Hughes,	

⁵⁹ Britton et al. (2019) cited in Lupton and Obolenskaya (2020)

⁶⁰ Britton et al. (2019) cited in Lupton and Obolenskaya (2020)

⁶¹ Foster (2019)

⁶² Bolton (2020)

<p>Treebhoohun and Wainwright forthcoming)</p>	<ul style="list-style-type: none"> • Using the broadest measure of public current expenditure on health in the UK, spending on health increased from £143.6bn in 2014-15 to £152.9bn in 2018-19 (in 2018-19 prices), equivalent to a 6.4% increase over the period or 1.6% on average each year. • In 2019-20, once the financial settlement first announced in 2018 fed through, total spending on health in the UK increased to £160.9bn (2018-19 prices), representing a 2.3% increase between 2014-15 and 2019-20. • This was somewhat higher than under the Coalition when the average annual growth in total expenditure on health was 1.1% but substantially lower than the historical average of 4.4% (between 1955-56 and 2009-10). • While the total spending on health in the UK increased, in England DHSC budget increased at a slower rate than health spending in the UK overall, despite relative protection of the NHS England. This is due to cuts across other departmental areas, including public health budget which, on a comparable basis, fell by 16.7% in real terms between 2014-15 and 2018-19.
<p>Adult Social Care (Burchardt, Obolenskaya and Hughes 2020)</p>	<ul style="list-style-type: none"> • There was a 6.9% real terms increase in gross current expenditure by local authorities on adult social care between 2014-15 and 2018-19, which in 2018-19 stood at £19.1bn. • However, this increase followed six years of continuous cuts, which by 2018-19 were not yet fully reversed. In 2018-19 local authority spending on adult social care remained 4.3% below the peak in 2009-10, while the population aged 80+ has grown by 17% since then. • Under the Coalition, gross current expenditure on adult social care was a cut by 7% in real terms.
<p>Employment (McKnight and Cooper forthcoming)</p>	<ul style="list-style-type: none"> • HM Treasury PESA figures on spending on employment policy to 2018-19 are reported within the expenditure on services. This expenditure is highly sensitive to the unemployment rate and with higher spending required when unemployment rises. • The authors show that the relationship is not straight forward: unemployment and expenditure increased since between 2008-09 and 2010-11, following the 2007-08 financial crisis, but between 2010-11 and 2012-13 expenditure fell sharply while unemployment continued to increase. The authors explain this by a shift to deferred payment under the Work Programme. • Looking at the more recent PESA figures which report expenditure to 2019-20, spending on employment policies fell from £3.1bn in 2014-15 to 2.3bn in 2019-20, equivalent to over one fifth (25.8%), and more than halved (53.1% fall) if we look at the period since 2009-10. Unemployment also fell continuously between 2014-15 and 2019-20.

Physical safety and security (Cooper and Lacey 2019)

- Using HM Treasury PESA reporting on expenditure on services, total identifiable expenditure on public order and safety *per capita* remained broadly stable between 2015-16 and 2017-18, following a marked decline in the preceding period (2009-10 to 2012-13).
- More recent figures from HM Treasury show that the total real terms expenditure on public order and safety in the UK increased by 5.5% in real terms between 2014-15 and 2019-20 from £33.3bn in 2014-15 to £34.5bn in 2019-20, representing a 5.5% increase, while per capita expenditure remained broadly stable, with a slight increase of 0.2% over the whole period.
- Within the total expenditure on public order and safety, expenditure by subfunction is only reported for 5-year periods on a consistent basis. Most recent figures show that the real terms growth in spending on public order and safety for the period between 2015-16 and 2019-20, which stood at 5.2% overall, was not uniform across service areas. Total spending on prisons fell by 3.6% (from £4.5bn in 2015-6 to £4.4 in 2019-20) although with the fall in prison population in 2018, expenditure per prisoner increased in 2018-19 (but was stable between 2015-16 to 2017-18). Spending on police services working within the area of immigration and citizenship saw a 58% cut between 2015-16 when it was £1.2bn and 2019-20 when it fell to less than £0.5bn.
- Expenditure on 'other police services' (which comprised just over a half of the total expenditure on public order and safety in 2019-20) grew by 7% between 2015-16 and 2019-20 (from £16.8bn to £18.1bn). However, this increase follows a period, between 2010/11 and 2014/15, when government grants for police in England were cut by over 20%.⁶³

Homelessness / complex needs (Fitzpatrick and Bramley forthcoming)

- It is not straightforward to get precise expenditure on homelessness-related services. However, the authors' estimates suggest that total current expenditure on spending categories which can be reasonably attributed to homelessness across GB (Supporting People funding stream, administration of Supporting People, Temporary accommodation and New Initiative) stood at £2.4bn in 2017/2018.
- Total expenditure on homelessness/complex needs according to this definition was cut in all England, Scotland and Wales between 2010-11 and 2017-18, with the smallest in Wales (18%), compared with 38% and 35% cuts in England and Scotland, respectively.

Sources and Notes: Most trends reported in this table are either taken directly from the underlying research papers or calculated by the authors using their underlying figures or updated versions of their figures. Other sources are in respective footnotes (Cooper and Hills,

⁶³ Disney and Simpson (2017) cited in Cooper and Lacey (2019, p. 35).

forthcoming; Fitzpatrick and Bramley, forthcoming; McKnight and Cooper, forthcoming; McKnight and Obolenskaya, forthcoming; Stewart and Reader, forthcoming; Vizard *et al.*, forthcoming; Cooper and Lacey, 2019; Burchardt, Obolenskaya and Hughes, 2020; Lupton and Obolenskaya, 2020).

A2.1 Extra resources to support COVID-19 pressures reported for 2020-21 in PESA (HM Treasury, 2020c)

PESA (HM Treasury, 2020c, p. 50) reports on the following main recourse claims on the resource DEL Reserve in 2020-21 in relation to the COVID-19 support:

- “BEIS was given £13.4 billion for measures to support businesses
- MHCLG Local Government was given £11.5 billion to support local government
- MoD was given an additional £0.3 billion to cover costs of operations and peacekeeping
- DEFRA was given £0.2 billion
- DHSC was given £3.4 billion
- DfT received an additional £2.9
- DWP was given £0.2 billion”

Additionally, HM Treasury (2020c, p. 51) reports that:

- “the Scottish Government was given an additional £4.7 billion, while the Welsh Government was given £2.3 billion for “direct payments to farmers and Barnett consequentials arising from Budget 2020 and response measures to COVID-19”.
- Northern Ireland Executive was provided with an additional £1.9 billion of RDEL “mainly as a result of funding provided for the New Decade, New Approach agreement, direct payments to farmers and Barnett consequentials arising from Budget 2020 and response measures to COVID-19”.

A2.2 Expenditure on services framework vs Budgeting framework

HM Treasury reports on public sector expenditure on services, which consists of central government spending (excluding the part that is finance to local government and capital finance to public corporations), combined with local government and public corporations actual spending. Expenditure on services therefore excludes non-cash items such as depreciation and provisions, which means expenditure on student loans, for example, is also excluded.

Below are the details of how expenditure on services framework amounts can be built up from the Departmental Budget figures (resource DEL, capital DEL, and departmental AME) as following (HM Treasury, 2020c, p. 224).

Departmental budgets (resource Departmental Expenditure Limits + capital Departmental Expenditure Limits + departmental Annually Managed Expenditure)

Less

grants to local government;
capital grants to public corporations;
depreciation (includes the impairment costs of Student Loans);
provisions;
spending classified as financial transactions in the National Accounts;
interest and dividends;
items classified as revenue in the National Accounts which are netted off spending in budgets; EU receipts;
other items that are not classified as spending in National Accounts (e.g. transfers between central government departments);
and most intra-public sector transfers, the main exceptions being subsidies to public corporations and trading bodies.

Plus

local government current and capital expenditure;
Northern Ireland locally financed expenditure;
public corporations' capital expenditure;
public sector debt interest;
and EU transactions.

A2.3 Expenditure on services by function and government administration

Table 5 Expenditure on services by function and government administration, 1996-97 to 2019-20 (UK)

a) real terms in 2019-20 prices, £ billion

		Social protecti on	Heal th	Educati on	Publi c orde r and safe ty	Housin g ¹	Employ ment Policies	Spendi ng on welfare state and public service s ²	Other spendi ng on service s ³	Total public sector expendit ure on services	Total public sector expendit ure on services as a % of GDP	Spendi ng on welfare state and public service s as a % of GDP	Spendi ng on welfare state and public service s per head
	1996- 97	171.8	65.2	57.6	25.0	8.7	4.3	332.6	132.7	461.0	32.9	23.8	5,718
Labour	1997- 98	173.7	67.5	58.5	25.9	7.4	3.8	336.8	144.5	477.5	32.7	23.1	5,776
	1998- 99	172.1	70.0	59.7	26.9	8.2	4.3	341.2	148.4	485.3	32.2	22.7	5,835
	1999- 00	183.0	73.5	62.8	27.4	7.0	5.2	358.9	149.6	503.3	32.1	22.8	6,116
	2000- 01	187.5	79.1	67.0	29.8	8.0	5.5	376.9	154.5	525.9	32.5	23.2	6,400
	2001- 02	198.0	86.2	73.8	33.3	8.9	4.8	405.0	153.2	553.4	33.5	24.5	6,851

	2002-03	204.7	93.2	77.0	34.4	7.6	4.2	421.1	162.0	578.9	33.9	24.6	7,093
	2003-04	214.9	103.4	84.2	36.5	9.3	4.4	452.7	170.1	618.4	35.2	25.8	7,591
	2004-05	220.4	111.3	87.4	38.3	10.7	4.3	472.4	177.1	645.2	36.0	26.3	7,880
	2005-06	224.2	117.7	91.5	38.4	14.0	4.3	490.1	185.0	670.8	36.0	26.3	8,112
	2006-07	225.6	120.7	93.0	38.7	14.7	4.2	496.9	188.3	681.0	35.8	26.1	8,169
	2007-08	234.2	125.5	97.7	39.4	16.1	2.6	515.5	190.8	703.7	36.1	26.3	8,407
	2008-09	246.3	131.6	100.5	40.8	18.5	4.2	541.9	208.1	745.8	39.1	28.4	8,765
	2009-10	265.6	139.2	105.4	40.6	19.4	4.9	575.1	207.0	777.2	41.9	31.0	9,237
Coalition	2010-11	269.8	140.4	107.1	38.8	15.6	5.5	577.2	216.7	788.4	41.5	30.3	9,197
	2011-12	282.4	139.9	99.7	37.0	11.7	3.7	574.4	208.2	778.9	40.5	29.9	9,076
	2012-13	286.3	140.5	95.1	35.4	11.3	3.3	571.9	199.1	767.7	39.4	29.4	8,977

	2013-14	281.8	143.5	93.9	32.8	10.9	4.2	567.1	202.5	765.4	38.2	28.3	8,846
	2014-15	285.5	146.6	93.0	33.3	11.2	3.1	572.7	199.5	769.1	37.6	28.0	8,866
Conservative	2015-16	287.2	150.2	92.1	32.7	10.7	2.6	575.5	205.4	778.3	37.1	27.5	8,839
	2016-17	281.1	151.0	89.9	31.8	10.9	2.5	567.2	205.2	769.9	36.0	26.5	8,640
	2017-18	279.8	153.4	89.6	32.8	11.8	2.7	570.1	214.1	781.5	36.0	26.2	8,633
	2018-19	280.1	155.9	89.8	33.0	12.3	2.7	573.8	216.8	787.9	35.7	26.1	8,637
	2019-20	275.3	164.1	92.4	34.5	14.5	2.3	583.1	219.0	799.8	36.1	26.4	8,729

b) Annual and average annual growth in real terms expenditure by function and government administration (%)

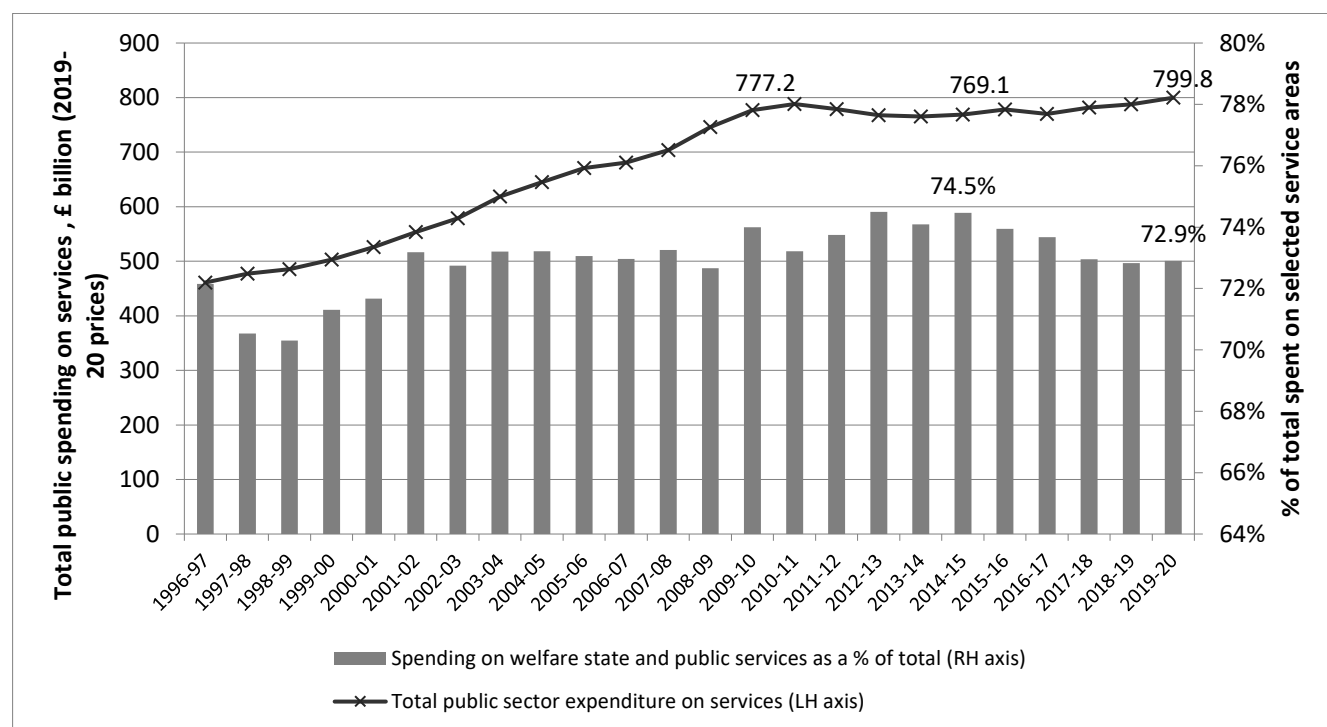
		Annual growth rates (%)									Average annual growth rates by political administration (%)								
		Social protection	Health	Education	Public order and safety	Housing ¹	Employment Policies	Spending on welfare state and public services ²	Other spending on services ³	Total public sector expenditure on services	Social protection	Health	Education	Public order and safety	Housing	Employment Policies	Spending on welfare state and public services	Other spending on services	Total public sector expenditure on services
Labour	1997-98	1.1	3.5	1.6	3.6	-14.9	-11.6	1.4	8.9	3.6	3.4	6.0	4.8	3.9	7.3	3.3	4.3	3.5	4.1
	1998-99	-0.9	3.7	2.1	3.9	10.8	13.2	1.2	2.7	1.6									
	1999-00	6.3	5	5.2	1.9	-14.6	20.9	5	0.8	3.7									
	2000-01	2.5	7.6	6.7	8.8	14.3	5.8	5	3.3	4.5									
	2001-02	5.6	9	10.1	11.7	11.3	-12.7	7.8	-0.8	5.2									
	2002-03	3.4	8.1	4.3	3.3	-14.6	-12.5	4.2	5.7	4.6									
	2003-04	5	10.9	9.4	6.1	22.4	4.8	7.5	5	6.8									
	2004-05	2.6	7.6	3.8	4.9	15.1	-2.3	4.4	4.1	4.3									

	2005-06	1.7	5.8	4.7	0.3	30.8	0.0	3.8	4.5	4									
	2006-07	0.6	2.5	1.6	0.8	5	-2.3	1.4	1.8	1.5									
	2007-08	3.8	4	5.1	1.8	9.5	-38.1	4.1	1.3	3.3									
	2008-09	5.2	4.9	2.9	3.6	14.9	61.5	4.8	9.1	6									
	2009-10	7.8	5.8	4.9	-0.5	4.9	16.7	6	-0.5	4.2									
Coalition	2010-11	1.6	0.9	1.6	-4.4	-19.6	12.2	0.3	4.7	1.4	1.5	1.0	-2.4	-3.8	-9.8	-6.0	-0.1	-0.7	-0.2
	2011-12	4.7	-0.4	-6.9	-4.6	-25	-32.7	-0.2	-3.9	-1.2									
	2012-13	1.4	0.4	-4.6	-4.3	-3.4	-10.8	-0.4	-4.4	-1.4									
	2013-14	-1.6	2.1	-1.3	-7.3	-3.5	27.3	-1	1.7	-0.3									
	2014-15	1.3	2.2	-1	1.5	2.8	-26.2	1.2	-1.5	0.5									
Conservative	2015-16	0.6	2.5	-1	-1.8	-4.5	-16.1	0.6	3	1.2	-0.7	2.3	-0.1	0.7	5.6	-5.4	0.4	1.9	0.8
	2016-17	-2.1	0.5	-2.4	-2.8	1.9	-3.8	-1.4	-0.1	-1.1									
	2017-18	-0.5	1.6	-0.3	3.1	8.3	8.0	0.5	4.3	1.5									
	2018-19	0.1	1.6	0.2	0.6	4.2	0.0	0.7	1.3	0.8									
	2019-20	-1.7	5.3	2.9	4.5	17.9	-14.8	1.7	1.0	1.5									

3). Second decade of the 21 st century	2009-10 to 2019-20	0.4	1.7	-1.3	-1.5	-2.1	-5.7	0.1	0.6	0.3
4). Second decade of the 21 st century excl. 2019-20	2009-10 to 2018-19	0.6	1.3	-1.7	-2.2	-4.3	-4.7	0.0	0.6	0.2
5). Conservatives/Liberal Democrats Coalition	Cameron - Clegg (2009-10 to 2014-15)	1.5	1.0	-2.4	-3.8	-9.8	-6.0	-0.1	-0.7	-0.2
6). Conservatives	2014-15 to 2019-20	-0.7	2.3	-0.1	0.7	5.6	-5.4	0.4	1.9	0.8
	2014-15 to 2018-19	-0.5	1.6	-0.9	-0.2	2.5	-3.0	0.1	2.1	0.6
	Cameron (2014-15 to 2016-17)	-0.8	1.5	-1.7	-2.3	-1.3	-10.0	-0.5	1.4	0.1
	Theresa May (2016-17 - 2018-19)	-0.2	1.6	-0.1	1.9	6.2	4.0	0.6	2.8	1.2
	Johnson (2018-19 - 2019-20)	-1.7	5.3	2.9	4.5	17.9	-14.8	1.6	1.0	1.5

Source: Real terms figures are from HM Treasury (2020c). Average annual growth rates are authors' calculations using arithmetic average of real terms annual growth rate in expenditure. ** Expenditure on selected services, which we also refer to the welfare state and public services, includes spending on public order and safety, housing and community amenities, health, education, and social protection.

Figure 46 Total public expenditure on the welfare state and public services, UK, 1997-98 to 2019-20 (billion)



Source: Authors' calculations using real terms figures from table 4.3 in HM Treasury (2020c).

Notes: ** Expenditure on selected services, which we also refer to the welfare state and public services, include spending on public order and safety, housing and community amenities, health, education, and social protection.

A2.4 Expenditure on selected service areas

Table 7 Expenditure on welfare state and public services¹ by function and sub-function, 2015-16 to 2019-20, £ million (2019-20 prices), UK

	2015-16	2016-17	2017-18	2018-19	2019-20	change 2015-16 to 2019-20	change 2018-19 to 2019-20
Public order and safety							
Police services	18.0	17.3	18.2	18.4	18.5	3.2	0.9
of which: immigration and citizenship	1.2	0.9	0.8	0.9	0.5	-58.3	-43.5
of which: other police services	16.8	16.4	17.4	17.5	18.1	7.4	3.1
Fire-protection services	2.9	2.9	2.8	2.8	3.0	1.7	7.4
Law courts	6.2	6.2	6.3	6.4	6.9	11.3	8.4
Prisons	4.5	4.5	4.5	4.6	4.4	-3.2	-6.0
R&D public order and safety	0.0	0.0	0.0	0.0	0.0	-97.4	-96.8
Public order and safety n.e.c.	1.1	0.9	0.8	0.8	1.6	52.5	100.0
<i>Total public order and safety</i>	32.7	31.8	32.8	33.0	34.5	5.2	4.3
Housing and community amenities							
Housing development	6.0	5.5	6.7	7.3	8.8	48.1	20.8
of which: local authority housing	5.1	4.6	5.3	5.6	6.5	27.6	16.7
of which: other social housing	0.9	0.9	1.4	1.7	2.3	167.1	33.9
Community development	2.9	3.4	3.1	3.1	3.5	23.1	15.3
Water supply	0.6	0.8	0.8	0.8	0.8	26.1	-1.2
Street lighting	0.9	0.9	0.9	0.8	0.9	-3.1	8.2
R&D housing and community amenities	0.0	0.0	0.0	0.0	0.0	-50.0	-50.0
Housing and community amenities n.e.c.	0.3	0.3	0.3	0.3	0.5	41.8	43.2
<i>Total housing and community amenities</i>	10.7	10.9	11.8	12.3	14.5	35.6	17.8
Health							
Medical services	143.9	145.5	146.0	147.9	156.5	8.7	5.8
Medical research	2.4	2.0	2.0	1.7	1.6	-30.7	-0.8
Central and other health services	3.9	3.6	5.4	6.4	6.0	55.9	-5.6
<i>Total health</i>	150.2	151.0	153.4	155.9	164.1	9.3	5.3
Education							
Pre-primary and primary education	33.8	32.9	31.9	31.2	31.7	-6.4	1.6
of which: under fives	3.4	3.3	3.7	4.0	4.4	30.7	9.8
of which: primary education	30.5	29.6	28.2	27.2	27.3	-10.5	0.4
Secondary education	42.3	41.2	42.7	43.9	46.6	10.2	6.0
Post-secondary non-tertiary education	0.6	0.6	0.6	0.5	0.6	6.4	18.6
Tertiary education	6.7	6.4	5.6	4.7	4.4	-34.6	-7.2
Education not definable by level	0.7	0.9	0.9	0.8	1.0	38.7	16.0
Subsidiary services to education	3.8	3.6	3.5	3.7	3.9	1.9	4.1
R&D education	1.7	1.8	1.9	2.3	2.3	36.3	0.9
Education n.e.c.	2.6	2.5	2.4	2.6	2.1	-19.1	-21.4
<i>Total education</i>	92.1	89.9	89.6	89.8	92.4	0.4	2.9
Social protection							
of which: personal social services	33.0	33.0	33.4	34.5	34.8	5.6	0.9
Sickness and disability	57.7	56.6	57.2	58.2	58.1	0.7	-0.1
of which: personal social services	10.6	10.5	10.7	11.0	11.4	7.2	4.1
of which: incapacity, disability and injury benefits	47.1	46.1	46.5	47.3	46.7	-0.8	-1.1
Old age	130.2	129.1	129.3	130.5	124.5	-4.4	-4.6

of which: personal social services	10.9	11.1	10.9	11.3	11.6	6.2	2.5
of which: pensions	119.3	118.0	118.4	119.2	112.9	-5.4	-5.3
Survivors	1.3	1.2	1.1	1.2	1.2	-7.8	1.4
Family and children	27.5	26.4	26.1	26.1	25.4	-7.4	-2.7
of which: personal social services	10.9	10.7	11.0	11.4	11.0	1.4	-3.0
of which: family benefits, income support and tax credits	16.6	15.7	15.1	14.8	14.4	-13.2	-2.4
Unemployment	2.9	2.4	2.1	1.7	1.2	-59.4	-30.7
of which: personal social services	-	-	-	-	-		
of which: other unemployment benefits	2.9	2.4	2.1	1.7	1.2	-59.4	-30.7
Housing	28.4	26.6	24.9	22.7	20.0	-29.7	-12.2
Social exclusion n.e.c.	34.8	34.2	34.6	34.9	40.3	15.8	15.5
of which: personal social services	0.6	0.7	0.8	0.9	0.9	42.0	-8.1
Family benefits, income support, Universal Credit and tax credits	34.2	33.5	33.8	34.0	39.4	15.3	16.1
R&D social protection	-	-	-	-	-		
Social protection n.e.c.	4.4	4.6	4.5	4.8	4.7	6.9	-2.1
<i>Total social protection</i>	287.2	281.1	279.8	280.1	275.4	-4.1	-1.7
Employment Policies³	2.6	2.5	2.7	2.7	2.3	-11.5	-14.8
Total expenditure on welfare state and public services	575.4	567.3	570.0	573.8	583.1	1.3	1.6
Total Managed Expenditure (all service areas ² , including accounting adjustments and EU transactions)	860.3	860.6	869.4	868.2	881.4	2.5	1.5

Source: Authors' calculations using nominal figures from Table 5.2 in HM Treasury (2020c) and GDP deflators from the same release. Expenditure breakdowns by subfunctions are reported on a consistent basis for 5 year periods (as presented in this table).

Notes: 1. Selected service areas refer to public order and safety, housing and community amenities, health, education, and social protection. 2. All service areas include those in this table as well as general public services, defence, economic affairs, and environmental protection.

Table 8 Capital Expenditure on services, 2010-11 to 2019-20 (£, million, 2019-20 prices), UK

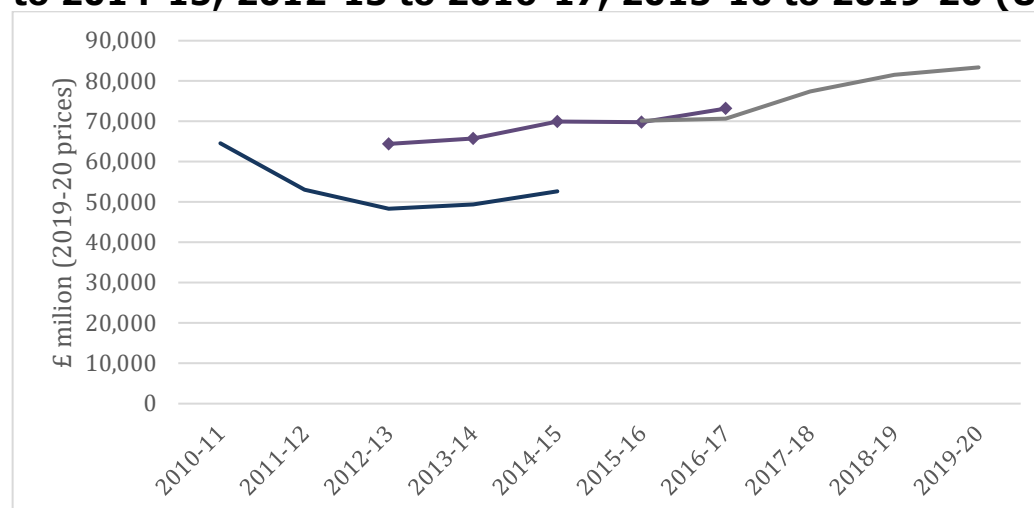
	PESA 2015	PESA 2017	PESA 2020
2010-11	64,561		
2011-12	53,019		
2012-13	48,329	64,409	
2013-14	49,412	65,783	
2014-15	52,662	69,981	
2015-16		69,786	70,153
2016-17		73,173	70,703
2017-18			77,374
2018-19			81,513
2019-20			83,376
% change 2010-11 to 2014-15	-18.4%		
% change 2015-16 to 2019-20			18.8%

Source: Authors' calculations using nominal figures in Table 5.4 (HM Treasury, 2015a, 2017, 2020c) and GDP deflators from HM Treasury (2020c).

Notes: PESA reports on capital expenditure on services in 5-year consistent periods. Comparing longer term trends by putting 5 year periods together is not advisable as the expenditure counted within them would not be comparable. We therefore

compare the change in capital expenditure over Coalition period (column PESA 2015) and over Conservative period (column PESA 2020) using different PESA releases (see sources above). To explore what happened to capital spending in the last year of Coalition Government and first year of Conservative, please refer to column PESA 2017.

Figure 47 Real terms capital expenditure on services, 2010-11 to 2014-15; 2012-13 to 2016-17, 2015-16 to 2019-20 (UK)



Notes: Expenditure reported in this table is only comparable within each of the 5 year periods, i.e. between 2010-11 and 2014-15; 2012-13 to 2016-17; and between 2015-16 to 2019-20. Comparison between 5-year periods should be made with caution due to changes in coverage and definitions.

A2.5 Expenditure on services by country and region

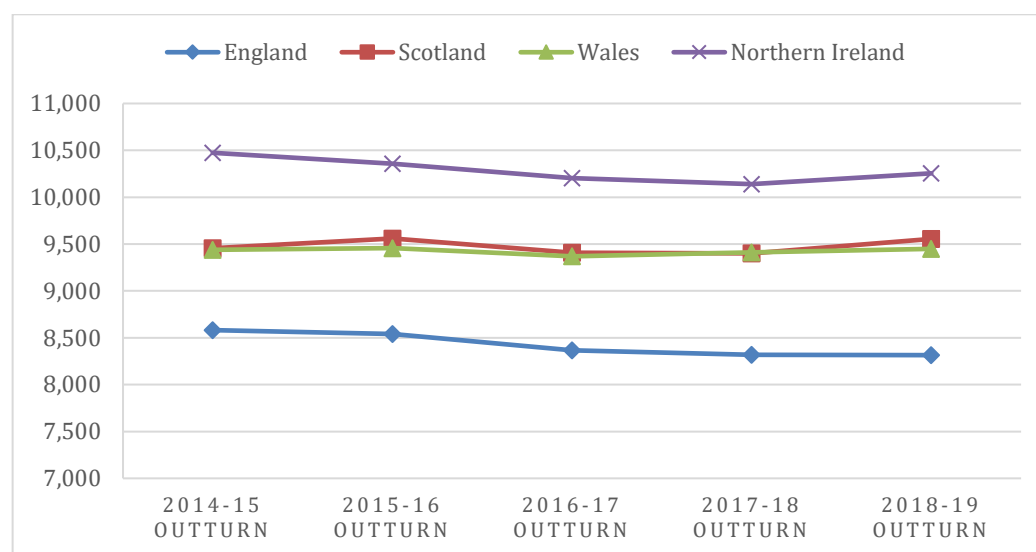
Table 9 Total identifiable expenditure on welfare state and public services by region and UK nation, 2014-15 to 2018-19 (2019-20 prices)

	2014-15 outturn	2015-16 outturn	2016-17 outturn	2017-18 outturn	2018-19 outturn	% change
North East	24,908	25,139	24,706	24,568	24,666	-1.0%
North West	64,668	64,734	63,918	63,926	64,263	-0.6%
Yorkshire and The Humber	46,449	46,577	46,170	46,004	46,181	-0.6%
East Midlands	38,131	38,166	37,788	37,693	37,994	-0.4%
West Midlands	50,440	49,822	49,588	49,365	49,591	-1.7%
East	47,387	47,811	47,067	47,419	47,990	1.3%
London	81,028	81,567	79,900	80,420	80,455	-0.7%
South East	68,467	69,050	68,758	68,794	69,284	1.2%
South West	44,653	44,957	44,403	44,525	45,015	0.8%
England	466,137	467,825	462,295	462,715	465,442	-0.1%
Scotland	50,562	51,364	50,854	50,997	51,956	2.8%
Wales	29,189	29,309	29,168	29,416	29,662	1.6%
Northern Ireland	19,277	19,180	18,999	18,970	19,293	0.1%
UK identifiable expenditure	565,162	567,679	561,314	562,098	566,351	0.2%

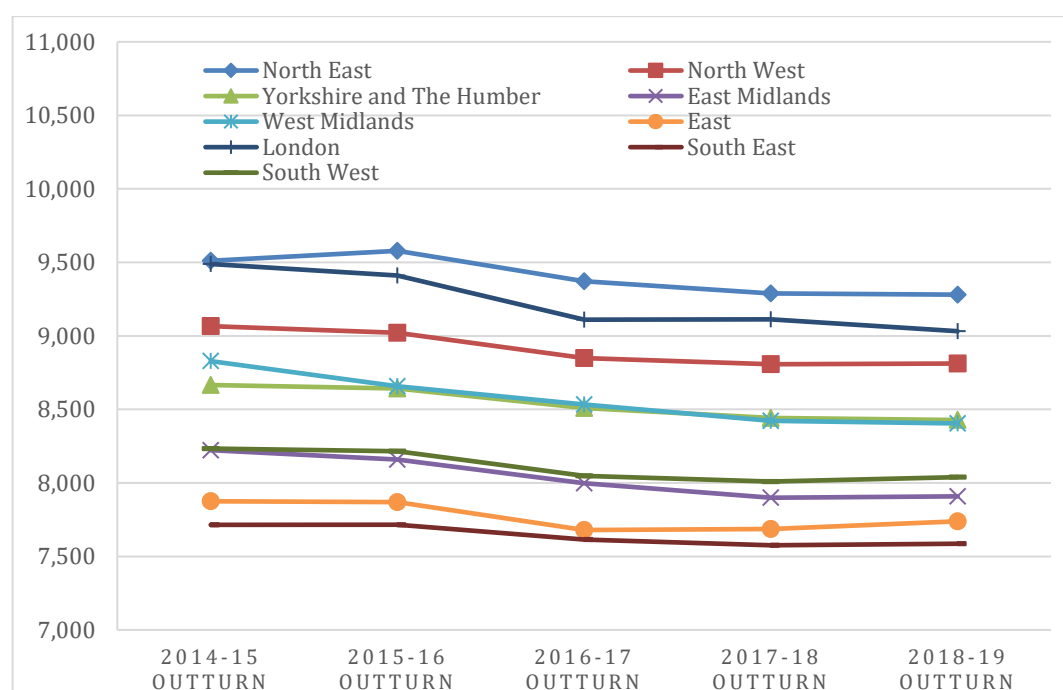
Source: Authors' calculations using nominal figures from HM Treasury (2020c); GDP deflators from the same release. Notes: this expenditure includes spending on social protection, health, education, public order and safety, employment policies, and housing and community amenities which can be attributed to regions and nations. It excludes expenditure on economic affairs – other than employment policies; general public service; defence; environmental protection; recreation, culture and religion

Figure 48 Total identifiable expenditure on welfare state and public services by region and UK nation per head, 2014-15 to 2018-19 (2019-20 prices)

a) Country in the UK



b) Government Office Regions, England

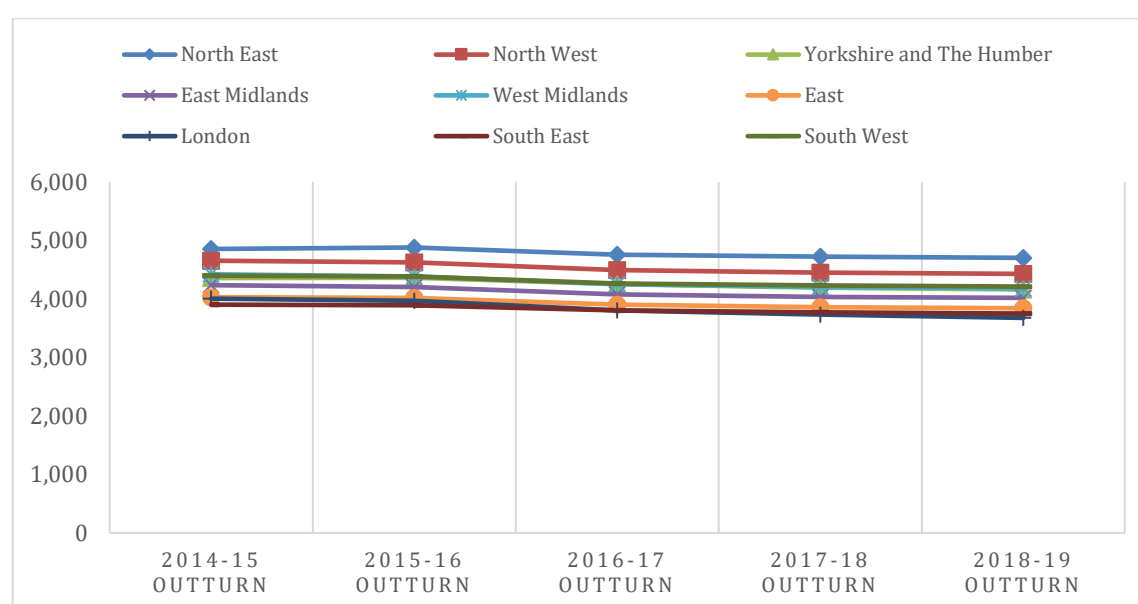


Source: Authors' calculations using nominal figures from chapter 9 of HM Treasury (2020c); GDP deflators from the same release; and ONS population estimates (Office for National Statistics, 2020b)

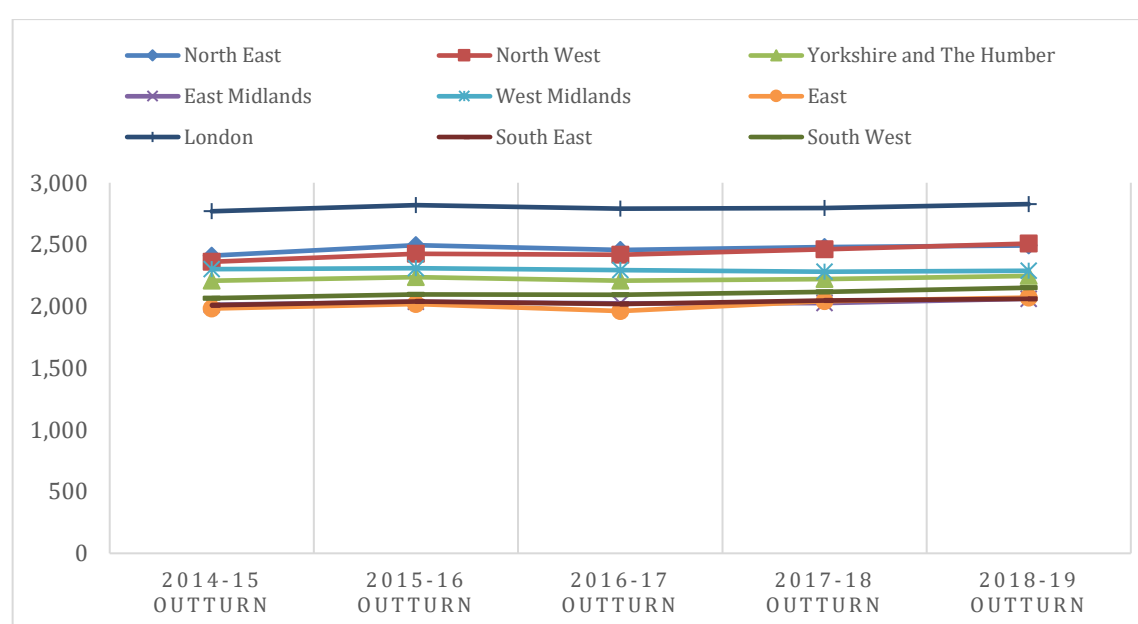
Notes: this expenditure includes spending on social protection, health, education, public order and safety, employment policies, and housing and community amenities which can be attributed to regions and nations. It excludes expenditure on economic affairs – other than employment policies; general public service; defence; environmental protection; recreation, culture and religion.

Figure 49 Total identifiable expenditure on welfare state and public services by region and UK nation per head, 2014-15 to 2018-19 (2019-20 prices)

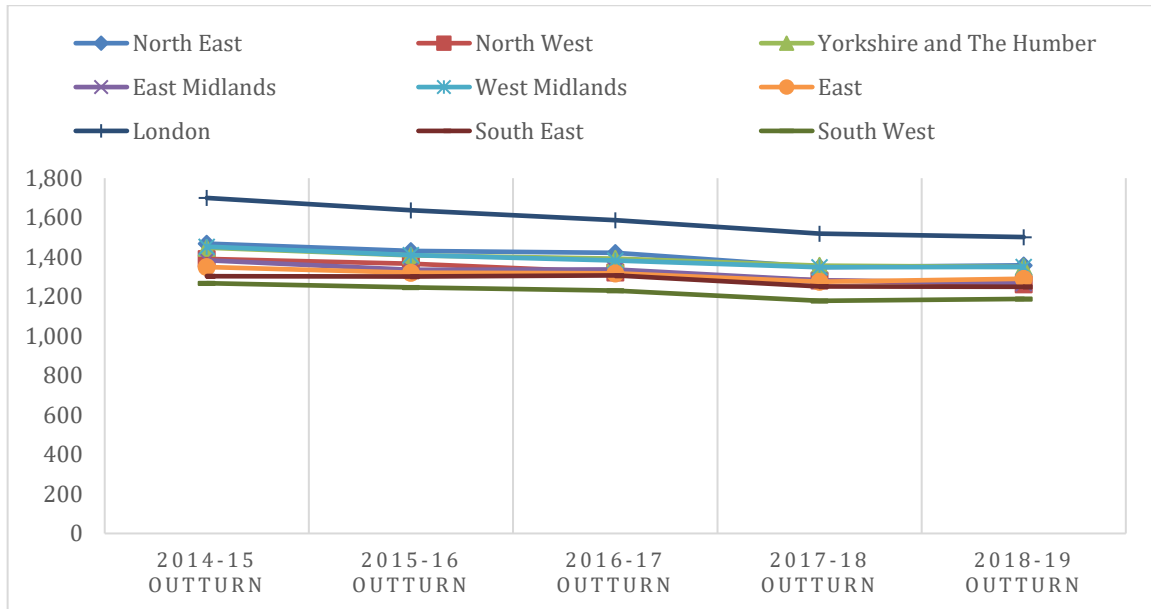
a) Social protection



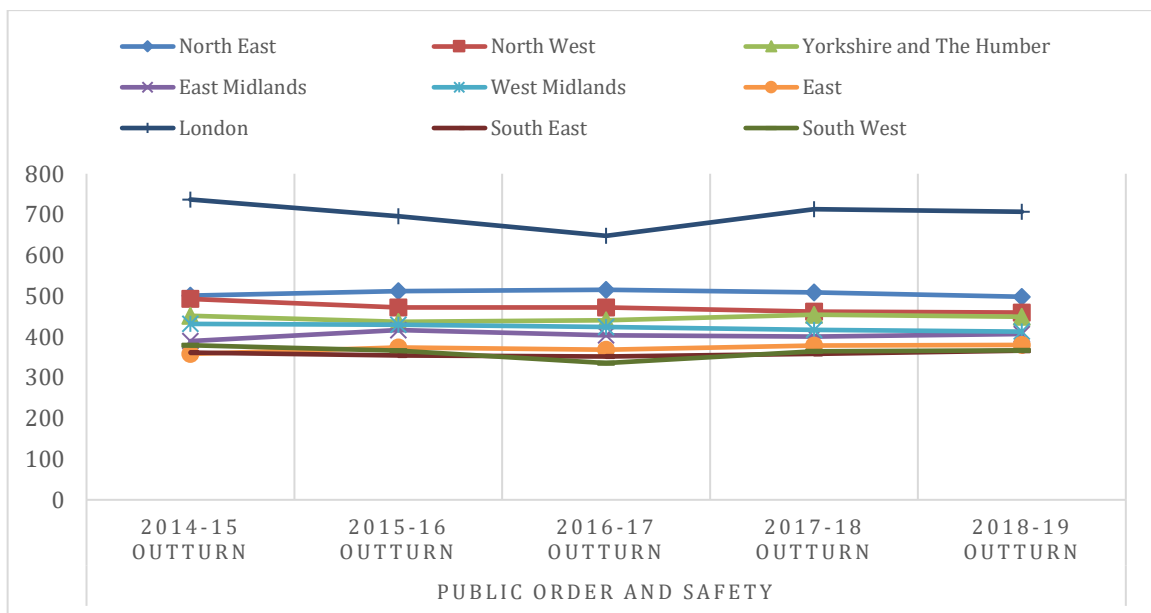
b) Health



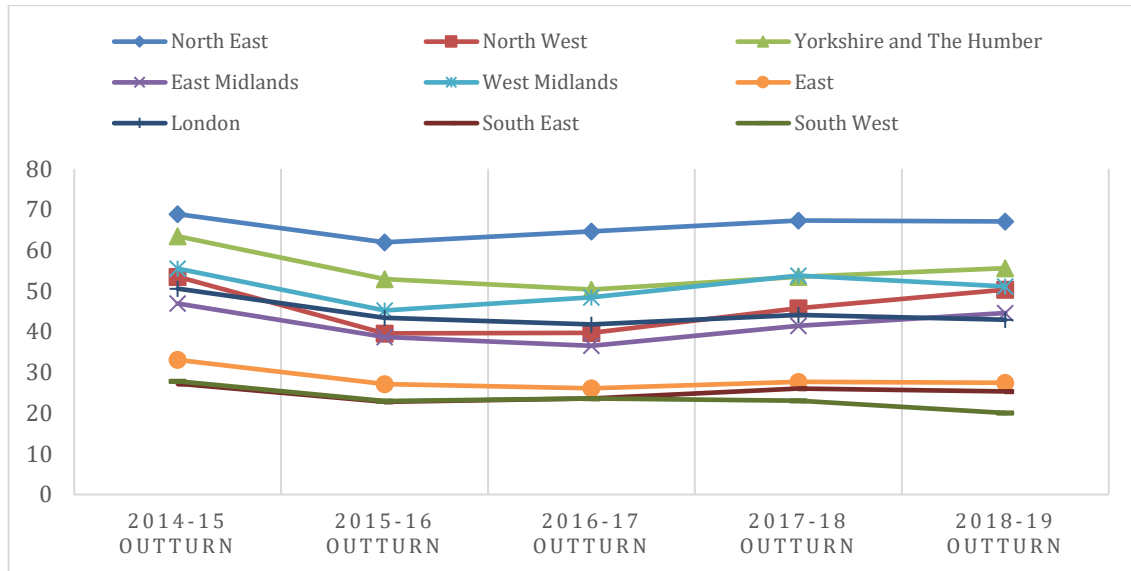
c) Education



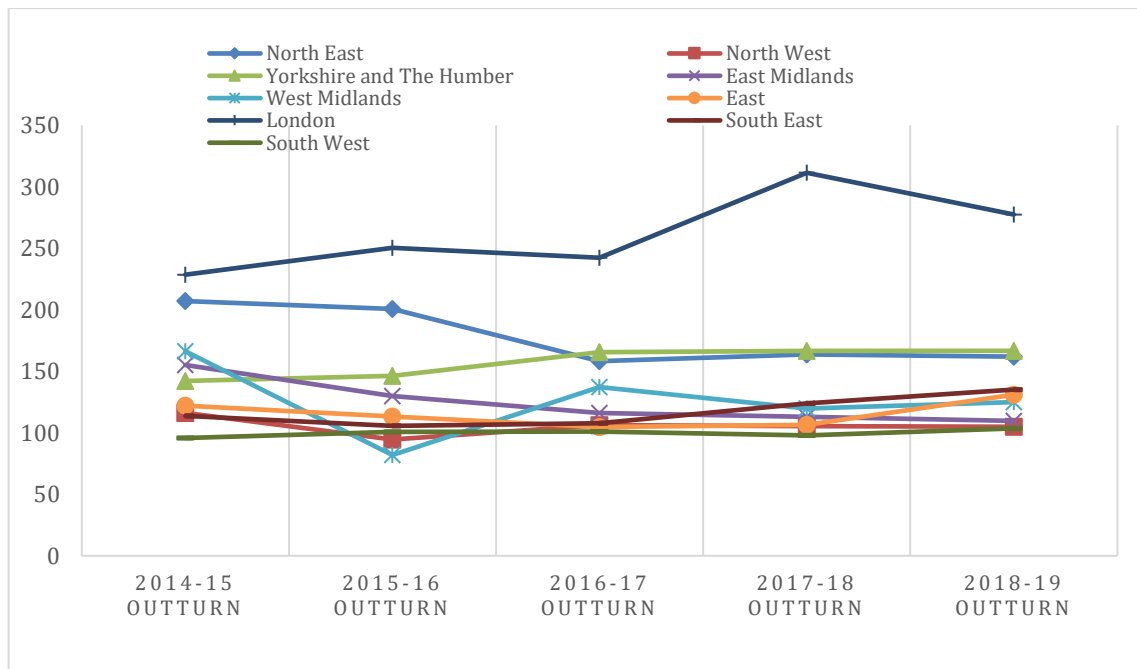
d) Public order and safety



e) Employment policies



f) Housing and community amenities



Source: Authors' calculations using nominal figures from chapter 9 of HM Treasury (2020c); GDP deflators from the same release; and ONS population estimates (Office for National Statistics, 2020b)

A2.6 International comparisons of expenditure on services

Similarly to expenditure on services within PESA, OECD's Government at a Glance Database provides general government

expenditures figures based on the System of National Accounts (SNA) - a set of internationally agreed classifications and definitions for national accounting. "In SNA terminology, general government consists of central, state and local governments and social security funds. Expenditures encompass intermediate consumption, compensation of employees, subsidies, property income (including interest spending), social benefits, other current expenditures (mainly current transfers) and capital expenditures (i.e. capital transfers and investments)" (OECD, 2019f, p. 68).

Table 10 General Government expenditure (current and capital) on welfare state and public services as a share of GDP (percentage), 2007, 2009, 2014 and 2019

	2007	2009	2014	2018
Australia	22.5	24.1	24.4	25.6
Austria	33.2	36.0	36.0	34.8
Belgium	31.2	35.4	36.3	35.2
Chile			16.9	18.4
Colombia			20.4	21.4
Czech Republic	26.3	29.0	28.3	26.9
Denmark	36.3	41.7	40.9	37.9
Estonia	21.9	30.2	24.6	26.5
Finland	32.8	38.3	41.0	38.2
France	37.0	40.5	41.0	39.8
Germany	31.5	34.5	32.2	32.8
Greece	27.0	31.7	31.6	30.2
Hungary	30.6	31.9	28.2	26.1
Iceland			26.3	27.2
Ireland	26.9	33.6	27.1	18.7
Israel	23.6	24.6	24.5	25.6
Italy	31.0	34.4	34.6	33.9
Japan	25.0	29.0	29.6	29.0
Korea	14.3	16.6	17.3	17.8
Latvia	21.2	28.4	24.2	24.9
Lithuania	23.3	32.7	24.0	24.4
Luxembourg	26.0	31.7	29.3	29.0
Netherlands	28.5	32.1	32.7	30.3
Norway	28.6	32.3	32.8	34.8
OECD - Average	27.6	31.7	30.4	29.4
Poland	28.8	29.9	28.8	28.7
Portugal	30.4	34.6	33.0	30.0
Slovak Republic	25.7	30.5	29.0	28.4
Slovenia	30.4	34.6	33.8	30.6
Spain	25.4	31.0	30.7	29.2
Sweden	34.4	37.0	35.9	35.5
Switzerland	20.3	21.8	22.6	22.9
United Kingdom	29.8	34.6	31.5	29.9
United States	23.4	27.7	25.4	25.3

Source: Authors' calculations Government at a Glance database (OECD, 2019f)

Notes: Expenditure on welfare state and public services include spending on the following areas: public order and safety, housing and community amenities, health,

education, and social protection. This means that these figures do not reflect expenditure on other service areas such as general public services, defence, economic affairs, and environmental protection.

Table 11 Total government expenditure (current and capital) on selected areas: social security, health, education, safety and order, and housing

a) Social protection

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (or nearest year)
Finland	19.0	19.3	22.5	22.6	22.5	23.6	24.6	25.2	25.3	25.5	24.6	24.2
France	21.7	21.9	23.7	23.7	23.7	24.2	24.5	24.5	24.3	24.4	24.2	23.8
Denmark	21.5	21.6	24.3	24.8	24.7	24.6	24.5	24.0	23.5	22.9	22.4	21.9
Italy	17.4	18.0	19.7	19.7	19.5	20.3	20.9	21.1	21.3	20.9	20.7	20.8
Austria	19.4	19.6	21.2	21.4	20.7	20.9	21.3	21.5	21.2	21.0	20.5	20.1
Sweden	20.0	19.9	21.4	20.3	19.6	20.4	21.0	20.5	20.1	20.6	20.0	19.6
Germany	18.9	18.8	20.7	20.1	18.9	18.9	19.0	18.8	19.1	19.5	19.6	19.4
Belgium	16.8	17.5	19.2	18.9	19.1	19.6	20.1	19.8	19.4	19.4	19.3	19.3
Norway	15.5	15.2	17.8	17.6	17.4	17.3	17.6	18.2	19.5	20.5	19.9	19.1
Greece	15.7	17.0	18.6	18.8	20.2	21.0	19.6	20.2	20.3	20.4	19.5	19.0
Luxembourg	15.7	16.8	19.2	18.5	17.9	18.7	18.6	18.1	18.2	17.6	18.1	18.0
Portugal	14.9	15.2	17.2	17.4	18.0	18.5	19.4	19.0	18.5	18.1	17.2	17.1
Spain	12.8	13.8	16.2	16.8	17.0	17.8	18.2	18.0	17.2	17.0	16.7	16.9
Slovenia	16.3	16.5	18.4	19.2	19.6	19.5	19.6	18.8	18.3	17.7	17.1	16.7
Poland	15.6	15.5	16.1	16.3	15.5	15.6	16.0	15.9	15.7	16.6	16.4	16.2
Japan	13.4	14.0	15.9	16.0	16.7	16.7	16.5	16.3	16.1	16.2	16.1	16.1
Netherlands	14.4	14.7	16.4	16.8	16.8	17.0	17.2	17.0	16.5	16.4	15.9	15.5
OECD - Average	14.3	14.9	16.8	16.6	16.3	16.3	16.1	15.7	15.5	15.6	15.5	15.1
United Kingdom	14.2	14.8	16.7	16.8	16.6	16.9	16.5	16.1	16.0	15.6	15.1	15.0
Slovak Republic	13.0	12.4	15.1	15.1	14.6	14.8	15.2	15.0	14.7	14.9	14.6	14.4
Hungary	17.2	17.4	18.1	17.4	17.0	16.7	16.4	15.4	14.7	14.3	13.9	13.3
Switzerland	12.1	11.6	12.8	12.8	12.6	12.9	13.0	13.0	13.3	13.5	13.5	13.3
Estonia	9.1	11.4	15.3	14.1	12.5	12.2	11.8	11.7	12.6	13.1	12.9	13.0
Lithuania	10.7	12.1	16.4	14.4	12.6	12.1	11.4	11.5	11.2	11.2	11.2	12.1
Czech Republic	11.9	11.9	13.1	13.2	13.2	13.3	13.5	13.1	12.5	12.3	12.0	12.0

Latvia	8.0	9.1	14.0	14.2	12.2	11.4	11.5	11.4	11.9	12.0	11.8	11.7
Israel	10.5	10.5	11.2	11.0	10.7	10.9	10.8	10.6	10.6	10.6	11.1	11.1
Iceland	..	..	..	..	..	10.2	9.8	9.8	9.1	13.2	9.8	10.0
Australia	9.2	10.8	9.3	9.2	9.4	9.6	9.8	10.1	10.2	10.0	9.8	9.8
Ireland	13.1	15.5	18.1	17.8	16.3	16.0	15.2	13.9	10.4	10.1	9.5	9.0
Colombia	..	..	..	..	..	..	..	8.5	8.8	8.5	9.0	9.0
United States	6.7	7.7	8.7	9.0	8.6	8.2	8.1	7.8	7.8	7.8	7.7	7.5
Korea	4.7	5.1	5.4	5.3	5.6	6.1	6.2	6.6	6.7	6.7	6.7	6.7
Chile	..	..	..	..	..	..	6.2	6.2	6.4	6.2	..	6.2

b) Health

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (or nearest year)
United States	7.7	8.0	8.7	8.9	8.8	8.7	8.6	8.9	9.1	9.3	9.3	9.3
Denmark	7.7	7.9	8.9	8.6	8.5	8.7	8.5	8.6	8.5	8.4	8.4	8.3
Norway	6.9	6.6	7.5	7.4	7.1	7.1	7.4	7.7	8.2	8.6	8.4	8.2
Austria	7.4	7.5	7.8	7.9	7.7	7.7	7.8	7.9	8.2	8.2	8.2	8.2
France	7.5	7.5	8.0	8.0	7.9	8.0	8.1	8.2	8.1	8.1	8.1	8.1
Iceland	..	..	..	..	..	7.1	7.1	7.3	7.2	7.4	7.6	7.9
Japan	6.2	6.4	7.1	7.2	7.6	7.7	7.7	7.7	7.7	7.6	7.6	7.7
Czech Republic	6.8	6.9	7.8	7.8	7.7	7.7	7.7	7.6	7.6	7.5	7.5	7.6
Belgium	6.8	7.3	7.8	7.8	7.7	7.9	8.0	8.0	7.8	7.6	7.6	7.6
Netherlands	6.7	6.6	7.4	7.8	7.9	8.2	8.1	8.0	8.0	7.5	7.6	7.6
United Kingdom	6.5	6.9	7.7	7.6	7.4	7.4	7.4	7.5	7.5	7.6	7.5	7.5
Australia	6.2	6.3	6.7	6.5	6.7	6.7	6.6	6.8	7.0	7.5	7.4	7.3
Slovak Republic	6.2	6.8	7.4	7.4	7.0	6.9	7.0	7.1	7.1	7.5	7.2	7.3
Germany	6.4	6.5	7.1	7.0	6.8	6.9	7.1	7.2	7.2	7.2	7.2	7.2
Finland	6.5	6.7	7.4	7.3	7.4	7.7	7.8	7.8	7.3	7.2	7.0	7.0
Sweden	6.4	6.6	7.0	6.7	6.7	6.8	6.9	6.9	6.8	6.9	6.9	7.0
Italy	6.7	7.0	7.4	7.4	7.1	7.1	7.1	7.1	7.0	6.9	6.8	6.9
Slovenia	5.9	6.2	6.9	6.9	7.0	6.9	6.8	6.5	6.7	6.7	6.6	6.6

OECD - Average	5.9	6.1	6.7	6.6	6.5	6.5	6.5	6.5	6.4	6.4	6.4	6.4
Portugal	7.1	7.3	8.0	7.5	7.0	6.6	6.5	6.3	6.2	6.1	6.3	6.3
Spain	5.7	6.1	6.8	6.6	6.5	6.3	6.2	6.2	6.2	6.1	6.0	6.0
Lithuania	5.3	5.6	6.7	7.0	6.7	5.9	5.6	5.5	5.8	5.8	5.6	5.9
Israel	4.9	4.9	5.0	5.1	5.0	5.1	5.1	5.2	5.1	5.2	5.3	5.4
Estonia	4.3	5.1	5.5	5.2	4.9	5.0	5.0	5.1	5.4	5.2	5.0	5.1
Ireland	6.2	6.9	7.9	7.5	7.6	7.5	7.2	6.8	5.3	5.3	5.1	5.0
Greece	6.0	6.5	6.8	6.9	6.5	5.9	5.2	4.7	4.7	5.0	5.2	5.0
Colombia	..	..	..	..	..	..	..	4.7	4.8	4.8	4.9	4.9
Poland	4.5	5.0	5.0	5.0	4.7	4.6	4.6	4.6	4.7	4.6	4.7	4.8
Luxembourg	4.3	4.4	5.1	4.9	4.7	4.9	5.2	5.0	4.7	4.6	4.8	4.7
Hungary	4.9	4.9	5.2	5.0	5.1	5.1	5.0	4.8	5.2	4.8	4.7	4.7
Korea	3.1	3.2	3.6	3.8	3.8	3.8	3.8	3.9	4.0	4.2	4.3	4.3
Latvia	4.0	4.3	4.6	4.2	4.1	3.9	3.7	3.8	3.8	3.7	3.5	4.0
Chile	..	..	..	..	..	..	3.4	3.6	3.9	4.0	..	4.0
Switzerland	1.7	1.8	1.9	1.9	2.0	2.1	2.2	2.2	2.2	2.2	2.2	2.2

c) Education

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (or nearest year)
Iceland	..	..	..	..	..	7.4	7.3	7.4	7.2	7.1	7.3	7.4
Israel	6.3	6.6	6.6	6.6	6.6	6.8	7.0	6.9	6.9	6.9	7.2	7.1
Sweden	6.3	6.4	6.7	6.4	6.3	6.4	6.5	6.5	6.4	6.6	6.7	6.9
Denmark	5.9	6.1	6.9	7.1	6.8	7.0	6.9	7.1	7.0	6.8	6.5	6.4
Belgium	5.5	5.7	6.1	6.0	6.2	6.3	6.4	6.3	6.3	6.2	6.3	6.2
Estonia	5.7	6.5	7.0	6.5	6.0	6.1	5.9	5.5	5.9	5.7	5.7	6.2
United States	6.3	6.5	6.8	6.7	6.5	6.3	6.3	6.1	6.1	6.1	6.1	6.0
Australia	4.7	5.0	5.5	5.3	5.1	5.2	5.1	5.2	5.3	5.7	5.8	5.9
Latvia	5.6	6.3	6.7	6.2	5.9	5.7	5.7	5.9	5.9	5.5	5.8	5.8
Switzerland	4.9	5.0	5.4	5.3	5.3	5.5	5.5	5.5	5.6	5.6	5.6	5.6
Finland	5.8	5.8	6.5	6.5	6.4	6.4	6.4	6.3	6.2	6.1	5.7	5.5

Norway	4.9	4.7	5.4	5.3	5.0	4.9	4.9	5.1	5.5	5.7	5.6	5.4
Slovenia	5.9	6.1	6.6	6.5	6.4	6.4	6.5	6.0	5.6	5.6	5.4	5.4
Chile	..	..	..	..	..	..	4.2	4.4	4.7	5.2	..	5.2
Hungary	5.5	5.3	5.4	5.5	5.1	4.7	4.7	5.2	5.2	5.0	5.1	5.1
France	5.3	5.4	5.7	5.6	5.5	5.5	5.5	5.5	5.5	5.4	5.4	5.1
Netherlands	5.0	5.2	5.6	5.6	5.5	5.4	5.3	5.3	5.2	5.2	5.1	5.1
OECD - Average	5.1	5.0	5.2	5.7	5.5	5.4	5.4	5.3	5.3	5.2	5.1	5.1
Poland	5.7	5.6	5.4	5.5	5.4	5.4	5.3	5.3	5.3	5.0	4.9	5.0
Colombia	..	..	..	..	..	..	..	4.5	4.6	4.6	4.8	4.8
United Kingdom	5.7	5.8	6.2	6.3	5.8	5.6	5.3	5.4	5.2	5.1	4.9	4.8
Austria	4.7	4.9	5.1	5.1	5.0	5.0	5.0	4.9	4.9	4.9	4.8	4.8
Czech Republic	4.7	4.7	5.1	5.1	5.1	5.0	5.1	5.1	4.9	4.5	4.1	4.6
Luxembourg	4.5	4.9	5.5	5.7	5.6	5.8	5.1	4.7	4.7	4.5	4.6	4.6
Korea	4.3	4.6	4.9	4.4	4.5	4.6	4.6	4.7	4.7	4.6	4.6	4.6
Lithuania	5.3	6.1	7.2	5.9	5.6	5.4	5.3	5.0	5.1	4.8	4.5	4.6
Portugal	5.9	6.0	6.5	6.7	6.1	5.4	5.5	5.3	5.1	4.8	4.6	4.5
Germany	3.9	3.9	4.3	4.4	4.3	4.3	4.4	4.3	4.2	4.2	4.1	4.2
Spain	4.0	4.2	4.7	4.5	4.4	4.2	4.1	4.1	4.1	4.1	4.0	4.0
Slovak Republic	3.7	3.7	4.5	4.5	4.2	3.9	4.0	4.0	4.2	3.9	3.9	4.0
Italy	4.4	4.3	4.5	4.4	4.1	4.1	4.1	4.0	4.0	3.9	3.9	4.0
Greece	3.6	3.8	4.1	4.1	4.4	4.5	4.5	4.3	4.1	3.9	3.8	3.9
Japan	3.4	3.5	3.8	3.6	3.6	3.6	3.6	3.6	3.4	3.4	3.3	3.3
Ireland	4.3	4.7	4.7	4.6	5.1	4.9	4.8	4.3	3.3	3.3	3.2	3.2

d) Housing

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (or nearest year)
France	1.2	1.2	1.5	1.4	1.4	1.3	1.3	1.2	1.1	1.1	1.0	1.1
Latvia	1.2	1.2	1.1	1.5	1.3	1.2	1.2	1.1	1.0	0.9	1.1	1.1
Korea	1.2	1.2	1.5	1.2	1.1	1.0	1.0	0.9	1.0	1.0	1.0	1.0
Chile	..	..	..	..	..	..	0.7	0.8	0.9	0.9	..	0.9

United Kingdom	1.2	1.2	1.5	1.2	1.0	0.8	0.6	0.6	0.7	0.6	0.7	0.8
Norway	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.8	0.8	0.8
Czech Republic	1.0	0.9	1.0	0.9	0.9	0.7	0.8	0.9	0.7	0.6	0.6	0.8
Sweden	0.5	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.6	0.7
Hungary	1.0	0.9	1.2	0.7	0.8	0.9	0.8	0.9	1.0	0.7	0.7	0.7
Japan	0.8	0.8	0.9	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
OECD average	0.7	0.7	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6
Australia	0.7	0.8	0.9	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6
Poland	0.8	0.8	0.9	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6
Luxembourg	0.6	0.7	0.9	0.8	0.8	0.8	0.5	0.6	0.5	0.5	0.5	0.6
Iceland	..	..	..	..	..	1.1	0.6	0.4	0.5	0.5	0.5	0.6
Slovak Republic	0.7	0.6	0.8	0.8	0.8	0.6	0.5	0.5	0.7	0.5	0.5	0.5
Ireland	1.7	1.6	1.3	1.2	0.8	0.7	0.6	0.8	0.6	0.5	0.5	0.5
Colombia	..	..	..	..	..	..	..	0.6	0.6	0.5	0.5	0.5
Lithuania	0.3	0.4	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5
United States	0.6	0.7	1.3	1.0	0.9	0.7	0.6	0.5	0.5	0.5	0.6	0.5
Italy	0.7	0.6	0.7	0.8	0.7	0.7	0.6	0.5	0.5	0.5	0.4	0.5
Portugal	0.7	0.8	0.8	0.6	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.5
Spain	0.9	1.1	1.3	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.5
Slovenia	0.6	0.8	0.8	0.7	0.6	0.8	0.7	0.9	0.6	0.4	0.5	0.4
Germany	0.8	0.7	0.7	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Netherlands	0.5	0.5	0.7	0.7	0.5	0.6	0.6	0.5	0.4	0.4	0.3	0.4
Belgium	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Estonia	0.6	0.6	0.1	0.5	0.5	0.7	0.6	0.5	0.4	0.3	0.4	0.3
Austria	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3
Finland	0.3	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.3
Israel	0.4	0.3	0.2	-0.1	0.0	0.3	0.2	0.2	0.0	0.2	0.0	0.3
Denmark	0.3	0.4	0.5	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.2
Greece	0.2	0.3	0.4	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2
Switzerland	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2

e) Public order and safety

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (or nearest year)
Chile	..	..	..	..	..	..	8.2	8.3	8.3	8.0	..	8.0
Colombia	..	..	..	..	..	..	..	6.9	6.7	6.9	6.9	6.9
Latvia	7.2	5.8	4.6	4.3	4.6	4.7	5.1	5.3	5.2	5.9	6.2	5.7
Slovak Republic	6.1	6.2	6.1	5.6	5.5	5.6	6.1	5.4	5.5	5.7	5.2	5.3
United States	5.7	5.6	5.4	5.3	5.2	5.2	5.3	5.3	5.3	5.3	5.3	5.3
Australia	5.1	4.8	4.8	4.9	4.8	4.7	4.7	4.7	4.9	4.9	5.1	5.2
Poland	5.3	5.3	5.3	5.3	5.2	5.3	5.2	5.3	5.3	5.3	5.2	5.1
Switzerland	4.8	4.7	4.7	4.7	4.9	4.9	4.9	4.9	5.0	4.9	5.0	5.0
Hungary	3.9	4.1	3.8	3.7	3.8	3.9	4.0	3.8	4.0	4.9	4.9	4.8
Estonia	6.3	6.7	5.1	5.4	5.5	5.2	4.9	5.1	4.5	4.9	4.8	4.7
Czech Republic	4.8	4.7	4.5	4.5	4.1	3.9	4.1	4.0	4.4	4.4	4.5	4.6
United Kingdom	5.6	5.3	5.3	5.1	4.9	4.8	4.7	4.5	4.4	4.3	4.4	4.4
Greece	3.2	3.1	3.3	3.4	3.2	3.3	3.0	4.2	3.9	4.4	4.5	4.4
Netherlands	4.3	4.3	4.2	4.1	4.1	4.1	4.2	4.1	4.3	4.4	4.3	4.4
Spain	4.8	4.7	4.4	4.7	4.7	4.2	4.5	4.4	4.6	4.5	4.4	4.4
Israel	3.6	3.7	3.8	3.9	3.9	3.9	3.8	4.0	4.1	4.1	4.2	4.1
OECD average	4.1	4.0	3.8	3.8	3.8	3.8	3.9	4.0	4.0	4.1	4.0	4.1
Lithuania	4.8	4.9	4.3	4.4	4.3	4.9	4.6	4.8	4.6	4.3	4.4	4.0
Ireland	4.2	4.2	3.7	2.6	3.4	3.5	3.5	3.6	3.6	3.8	3.9	4.0
Korea	3.8	3.7	3.5	3.6	3.5	3.6	3.8	3.8	3.8	4.0	4.0	4.0
Italy	3.9	3.7	3.8	3.9	3.9	3.7	3.7	3.6	3.7	3.7	3.7	3.8
Portugal	4.1	4.0	4.1	3.9	4.0	3.8	4.1	3.7	3.8	4.0	3.8	3.8
Slovenia	3.9	3.8	3.7	3.7	3.6	3.5	3.0	3.2	3.2	3.7	3.6	3.5
Germany	3.4	3.4	3.4	3.3	3.4	3.4	3.5	3.5	3.5	3.5	3.4	3.5
Iceland	..	..	..	..	..	3.1	3.2	3.3	3.6	3.0	3.4	3.4
Belgium	3.5	3.5	3.5	3.4	3.4	3.3	3.3	3.3	3.2	3.2	3.2	3.3
Japan	3.5	3.3	3.2	3.1	3.2	3.1	3.1	3.2	3.2	3.2	3.1	3.2
France	2.8	2.9	2.9	3.0	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0
Austria	2.6	2.7	2.6	2.6	2.6	2.6	2.6	2.5	2.6	2.7	2.8	2.8
Luxembourg	2.4	2.4	2.3	2.4	2.4	2.3	2.4	2.4	2.4	2.4	2.5	2.6

Sweden	2.6	2.6	2.6	2.7	2.6	2.7	2.6	2.6	2.6	2.6	2.6	2.6
Norway	2.0	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.4
Finland	2.5	2.6	2.6	2.7	2.5	2.5	2.4	2.2	2.2	2.1	2.1	2.1
Denmark	1.8	1.9	1.9	1.8	1.9	1.8	1.8	1.8	1.8	1.9	1.8	1.9

Source: OECD (2019f)

Notes: OECD 2018 average figures are based on authors' calculations using an arithmetic average of proportions for each year. For 2018 this means an average of the figures for 2018 or nearest available figures for all OECD countries.

Appendix 3: Notes On Indicators Methods, Measures And Data Sources

A note on methodology

The majority of the data sources used for the indicator set are from publicly available published statistics. It was not possible to conduct tests of statistical significance; therefore this exercise describing changes over time and differences between groups is descriptive. Where the changes over time for an indicator are measured in percentage points anything from 0.5 percentage points is described as a change, and described as no change otherwise (i.e. any changes smaller than 0.5 percentage points). It is also important to highlight this is not based on multivariate analysis and so does not identify independent associations between characteristics of SPDO sub-groups and particular outcomes; it does not attempt to unpick and explain the many factors that likely contribute to the patterns we see for particular groups.

Familiar measurement issues are also present, for example sample sizes for some ethnic groups or regions can be particularly small and in this case pooled data from multiple years is presented. Finally, this exercise highlights a number of data gaps that ought to be addressed in future data collections; data is not always available for particular sub-groups or does not include a time series that covers the periods of interest. These gaps are clear from the blank cells in the [online spreadsheets](#).

Base years for measuring change:

The default base years used to calculate changes across the recent (since 2015) and previous (since 2010) period are 2010 and 2015 where this data is available and where appropriate. There are some deviations from this where data is not available, for example for the stop and search statistics 2010/11 is the earliest data point available. The other main exception to these default base years applies to the measures of poverty: The base year taken for all poverty measures is 2010/11 rather than the default 2009/10 because of the lagged effects of measures adopted prior to the May 2010 General Election feeding through during the course of 2010. For further discussion on this see (Hills and Stewart, 2016, p. 251). Since the measurement of change in this indicator is sensitive to the selection of base year, we also present estimates for 2009/10 in the indicator [online spreadsheets](#).

Table 12 Notes On Indicators Measures And Data Sources

Social policy area	Indicator	Source	Notes
Social Security	Relative poverty AHC	<p>Households Below Average Incomes (HBAI) statistics available from https://www.gov.uk/government/statistics/households-below-average-income-1994-95-to-2018-19</p> <p>Table 3.10ts: Percentage of individuals living in households with less than 60 per cent of contemporary median household income, by family type, gender and adulthood, United Kingdom</p> <p>Table 3.12ts: Percentage of individuals living in households with less than 60 per cent of contemporary median household income, by disability and receipt of disability benefits, United Kingdom</p> <p>Table 3.17ts: Percentage of individuals living in households with less than 60 per cent of contemporary median household income, by region or country, United Kingdom</p> <p>In file 'population-hbai- timeseries - 1994-95 - 2018-19- tables'.</p>	<p>For country/ region the population is taken from three year averages so the years used are: 10/11-12/13 13/14-15/16 16/17-18/19</p> <p>Ethnicity results: These are unpublished and were supplied by Chris Tucker. 'Due to minimum sample sizes that we need to allow us to publish, we can only show ethnicity data as three-year averages, with the latest being for 2016/17-2018/19.' Pooled three year averages are used. Therefore for the breakdowns by ethnicity the years actually refer to: 10/11-12/13 13/14-15/16 16/17-18/19</p>

Social policy area	Indicator	Source	Notes
Social Security	Anchored poverty AHC	<p>Households Below Average Incomes (HBAI) statistics available from https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201819</p> <p>Table 3.13ts: Percentage of individuals living in households with less than 60 per cent of 2010/11 median household income held constant in real terms, by family type, gender and adulthood, United Kingdom</p> <p>Table 3.15ts: Percentage of individuals living in households with less than 60 per cent of 2010/11 median household income held constant in real terms, by disability and receipt of disability benefits, United Kingdom</p> <p>Table 3.19ts: Percentage of individuals living in households with less than 60 per cent of 2010/11 median household income held constant in real terms, by region or country, United Kingdom</p> <p>In 'population-hbai- timeseries - 1994-95 - 2018-19- tables'</p>	<p>For country/ region the population is taken from three year averages so the years used are: 10/11-12/13 13/14-15/16 16/17-18/19</p> <p>Ethnicity results: These are unpublished and were supplied by Chris Tucker. 'Due to minimum sample sizes that we need to allow us to publish, we can only show ethnicity data as three-year averages, with the latest being for 2016/17-2018/19.' Pooled three year averages are used. Therefore for the breakdowns by ethnicity the years actually refer to: 10/11-12/13 13/14-15/16 16/17-18/19</p>

Social policy area	Indicator	Source	Notes
Social Security	Relative Child Poverty AHC – Spotlight indicator	<p>Households Below Average Incomes (HBAI) statistics available from https://www.gov.uk/government/statistics/households-below-average-income-1994-95-to-2018-19</p> <p>In 'children-trends-hbai-1994-95-2018-19-tables':</p> <p>Table 4.1tr: Percentage of children falling below various thresholds of contemporary median income, United Kingdom</p> <p>In 'children-hbai-timeseries-1994-95-2018-19-tables':</p> <p>Table 4.14ts: Percentage of children living in households with less than 60 per cent of contemporary median household income, by family type and economic status of the family, United Kingdom</p> <p>Table 4.16ts: Percentage of children living in households with less than 60 per cent of contemporary median household income, by region and country, United Kingdom</p>	<p>For country/ region the population is taken from three year averages so the years used are:</p> <p>10/11-12/13 13/14-15/16 16/17-18/19</p> <p>Ethnicity results: These are unpublished and were supplied by Chris Tucker. 'Due to minimum sample sizes that we need to allow us to publish, we can only show ethnicity data as three-year averages, with the latest being for 2016/17-2018/19.' Pooled three year averages are used. Therefore for the breakdowns by ethnicity the years actually refer to:</p> <p>10/11-12/13 13/14-15/16 16/17-18/19</p> <p>Ethnicity here refers to the ethnicity of the head of the household in which the child lives.</p>

Social policy area	Indicator	Source	Notes
		Table 4.19ts: Percentage of children living in households with less than 60 per cent of contemporary median household income, by disability and receipt of disability benefits, United Kingdom	
Physical Safety and Security	Violent Crime	<p>Based on CASE analysis of the Crime Survey for England and Wales (CSEW) using the following datasets:</p> <p>Home Office. Research, Development and Statistics Directorate, BMRB. Social Research. (2012). <i>British Crime Survey, 2009-2010</i>. [data collection]. 2nd Edition. UK Data Service. SN: 6627, http://doi.org/10.5255/UKDA-SN-6627-2</p> <p>Office for National Statistics. (2020). <i>Crime Survey for England and Wales, 2014-2015</i>. [data collection]. 2nd Edition. UK Data Service. SN: 7889, http://doi.org/10.5255/UKDA-SN-7889-2</p> <p>Office for National Statistics. (2020). <i>Crime Survey for England and Wales, 2018-2019</i>. [data collection]. UK Data Service. SN:</p>	<p>Violence is measured based on the following offences, as in the ONS measure of violent crime:</p> <ul style="list-style-type: none"> • Serious wounding • Other wounding • Common assault • Attempted assault • Serious wounding with sexual motive • Other wounding with sexual motive <p>In addition to this ONS definition the measure also includes:</p> <ul style="list-style-type: none"> • Rape • Attempted rape • Indecent assault <p>As CSEW has a complex survey design we use appropriate survey corrections as recommended by ONS.</p>

Social policy area	Indicator	Source	Notes
		8608, http://doi.org/10.5255/UKDA-SN-8608-1	
Physical Safety and Security	Stop and Search by Ethnicity – Spotlight indicator	<p>Stop and search statistics data tables, police powers and procedures year ending 31st March 2020 accessed at https://www.gov.uk/government/statistics/police-powers-and-procedures-england-and-wales-year-ending-31-march-2020</p> <p>Table SS.01: Stop and searches by legislation, England and Wales, 2001/02 to 2019/20</p> <p>Table SS.12: Stop and searches¹ per 1,000 population, by ethnicity, England and Wales, 2010/11 to 2019/20</p>	<p>Base year is 2010/11 as this is the earliest data point available.</p> <p>Measured as stop and searches per 1,000 of the population. Population breakdowns are based on the 2011 census. Given the length of time since the last Census, figures in this table should be considered estimates only.</p>
Compulsory Education	Achieving Level 2	Achieving Level 2 refers to 5 GCSEs at grade 9-4/A*-C by age 19	<p>'All' refers to all students including in private institutions. Numbers (numerators) are based upon all young people in the dataset (the Young Person's Matched Administrative Dataset, or YPMAD), not just those in the state sector at 15. The cohort sizes (denominators) are taken from school census population data when learners were academic age 14 (i.e. age 14 at the start of the academic year; 15 by the end of the academic year). It includes those in independent schools, alternative provision and</p>
	Achieving Level 3	<p>Achieving Level 3 refers to 2 or more 'A' levels and equivalent by age 19</p> <p>Note these achievements are sometimes described as 'full level 2' and 'full level 3' to distinguish them from the achievement of individual qualifications at Levels 2 and 3</p>	

Social policy area	Indicator	Source	Notes
		<p>Department for Education data available at https://www.gov.uk/government/statistics/level-2-and-3-attainment-by-young-people-aged-19-in-2019</p> <p>Using the following tables:</p> <p>UD_L2_3attainment_national_ALL_numbers_percentages.csv</p> <p>UD_L2_3attainment_statefunded_chars_numbers_percentages.csv</p> <p>UD_L2_3attainment_statefunded_LAs_numbers_percentages.csv</p> <p>Details of measures available in level_2_and_3_attainment_by_19_metadata document</p>	<p>PRUs who are excluded from the state-funded cohort figures.</p> <p>Breakdowns are based on students in state-funded institutions. Numbers are based upon the number of young people in the state sector at academic age 15 who reached Level 2/3 or Level 2 with English and maths by 19. Pupils attending independent schools, PRUs and other non-mainstream provision at academic age 15 are excluded from these figures.</p> <p>SEN includes the following categories:</p> <ul style="list-style-type: none"> Specific Learning Difficulty Moderate Learning Difficulty Severe Learning Difficulty Profound & Multiple Learning Difficulty Behaviour, Emotional & Social Difficulties replaced with Social, Emotional and Mental Health in 2015 Speech, Language and Communication Needs Hearing Impairment Visual Impairment Multi-Sensory Impairment Physical Disability Autistic Spectrum Disorder

Social policy area	Indicator	Source	Notes
			<p>Other Difficulty / Disability</p> <p>Income Deprivation Affecting Children Index (IDACI)</p> <p>IDACI is provided by the Department for Communities and Local Government (DCLG), now the ministry of Housing, Communities & Local Government (MHCLG). The index is based on Super Output Areas (SOAs) in England based on 2001 census data. Each SOA is given a rank between 1 and 34,378 where 1 is the most deprived SOA.</p> <p>IDACI is a subset of the Income Deprivation Domain of the Index of Multiple Deprivation (IoD). Each SOA is given a score showing the percentage of pupils aged under 16 that live in families that are income deprived, i.e. they are in receipt of certain benefits and their equivalised income is below 60% of the median before housing costs.</p> <p>The IDACI bands used in this publication are based on 2015 IDACI scores.</p>
Compulsory Education	Permanent Exclusions – Spotlight indicator	Department for Education data available at https://explore-education-statistics.service.gov.uk/find-statistics/permanent-and-fixed-period-exclusions-in-england	Permanent exclusion rate definition: 'A permanent exclusion refers to a pupil who is excluded and who will not come back to that school (unless the exclusion is overturned). The permanent exclusion rate is calculated as

Social policy area	Indicator	Source	Notes
		<p>Using the following files:</p> <p>'data-permanent-and-fixed-period-exclusions-in-england'</p> <p>'exc_characteristics'</p> <p>'exc_nat_reg_la_school'</p>	<p>the number of permanent exclusions divided by the number of pupils (x100)'</p> <p>For this data the years are for academic years:</p> <p>2009/10</p> <p>2014/15</p> <p>2018/19</p> <p>'Total' includes state funded primary schools as well as secondary schools as could either use total or single out state-funded secondary or special schools. These figures are restricted to state-funded</p> <p>IDACI only available from 2015/16.</p> <p>As detailed in the methodology document: Includes exclusions from state funded secondary and state funded special schools.</p> <p>State funded includes:</p> <ul style="list-style-type: none"> Local authority maintained schools Middle schools as deemed City technology colleges Sponsored academies Converter academies Free schools University technical colleges

Social policy area	Indicator	Source	Notes
			<p>Studio schools</p> <p>Special schools includes:</p> <ul style="list-style-type: none"> Local authority maintained special schools Non-maintained special schools Sponsored academies Converter academies Free schools
Higher Education	Progression to higher education	<p>Progression to higher education (HE) in the UK by age 19 (for pupils who were in state-funded education in England at 15)</p> <p>Based on Department for Education data from the following sources</p> <p>Department for Education, 2020. Widening participation in higher education: 2020. https://www.gov.uk/government/statistics/widening-participation-in-higher-education-2020</p> <p>Department of Education, 2019. Widening participation in higher education: 2019. https://www.gov.uk/government/statistics/widening-participation-in-higher-education-2019</p>	<p>These figures show the proportion of 15 year olds from state funded educational institutions in England who progressed to higher education by age 19 (otherwise, proportion of 19 year olds who were in state funded schools at 15 who went to HE in each year).</p> <p>POLAR quintiles: Participation of Local Areas (POLAR) classifies small areas across the UK into quintiles according to their level of young participation in HE. They are ranked from Q1 (areas with the lowest participation rates - the most disadvantaged) to Q5 (highest young participation rates - the most advantaged).</p>

Social policy area	Indicator	Source	Notes
Higher Education	High-skilled employment	<p>Proportion of English domicile graduates aged 21-30 who were in high skilled employment each year.</p> <p>Department for Education statistics from the following sources:</p> <p>Department for Education, 2017. Graduate labour market statistics: 2016.</p> <p>Department of Education, 2020. Graduate labour market statistics, Reporting Year 2019.</p>	Notes: No data available for breakdowns by characteristic for base year 2009.
Health	Life expectancy	<p>Office for National Statistics data from the following sources:</p> <p>Life expectancy at birth by gender: ONS (24 September 2020) National life tables – life expectancy in the UK: 2017 to 2019, data from Figure 1 https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/nationallifetablesunitedkingdom/2017to2019#life-expectancy-at-birth-in-the-uk </p>	<p>Life expectancy refers to life expectancy at birth apart from the age breakdowns where life expectancy at a particular age is specified. All years are pooled as follows:</p> <p>2013 – 2015 2017 – 2019 for Life expectancy at birth by gender and life expectancy by age/gender 2016 – 2018 for life expectancy by local area and deprivation decile</p> <p>For life expectancy by local area:</p>

Social policy area	Indicator	Source	Notes
		<p>Life expectancy by age/gender: ONS (25 September 2019) National life tables, UK: 2016 to 2018 available at https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/bulletins/nationallifetablesunitedkingdom/2016to2018</p> <p>Life expectancy by Local area: CASE calculations based on ONS (11 December 2019) 'Life expectancy at birth and at age 65 years by local areas, UK' dataset available at https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/datasets/lifeexpectancyatbirthandage65bylocalareasuk</p> <p>Life expectancy by deprivation decile: CASE calculations using Public Health England (2018) (for data points 2010-2012) and ONS (2020) data (for data points 2011-2013 to 2016-2018) Public Health England (18 December 2018) Recent trends in mortality in England: review and data packs, data pack 3 available at https://www.gov.uk/government/publications</p>	<p>In 2016 – 2018 the areas with highest life expectancy were Westminster (for males) and Camden (for females), and the area with lowest life expectancy was Glasgow City for both male and female life expectancy.</p> <p>Ordering is based on authors' calculations using unrounded numbers Figures are based on the number of deaths registered and mid-year population estimates, aggregated over 3 consecutive years Figures are based on geographical boundaries as of May 2019 Figures for England, Wales, regions, counties and local authorities exclude deaths of non-residents Scotland includes non-usual residents who die in Scotland and do not have an area of residence within Scotland and imputation is used to assign to geography of 'residence' (see section 1.3.1 in the following: http://www.scotpho.org.uk/downloads/hle/HLE-technical-paper-2015-v9.pdf) Northern Ireland also includes non-usual residents whom are allocated to place of death (see http://www.nisra.gov.uk/archive/demograph)</p>

Social policy area	Indicator	Source	Notes
		<p>/recent-trends-in-mortality-in-england-review-and-data-packs</p> <p>ONS (27 March 2020) Health state life expectancies by Index of Multiple Deprivation (IMD 2015 and IMD 2019), England, at birth and age 65 years available at https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthinequalities/datasets/healthstatelifeexpectanciesbyindexofmultipledeprivationengland</p>	<p>y/vital/deaths/life_tables/LE%20Information%20Paper.pdf for more details)</p>
Health	Access to cancer care	<p>'Saw GP three or more times before being told to go to the hospital'</p> <p>Data comes from National Cancer Patient Experience Survey</p> <p>2015 data based on Picker Institute national level data tables available at https://www.ncpes.co.uk/2015-national-results/</p> <p>2019 data based on Picker Institute national level data tables available</p>	<p>Measure is based on the following survey question: Question 1 'Before you were told you needed to go to hospital about cancer, how many times did you see your GP (family doctor) about the health problem caused by cancer? '</p> <p>The data presented is based on categories 5 and 6 of the following possible responses:</p> <ol style="list-style-type: none"> 1. None - I went straight to hospital 2. None - I went to hospital following a cancer screening appointment 3. I saw my GP once

Social policy area	Indicator	Source	Notes
		at https://www.ncpes.co.uk/2019-national-level-results/	<p>4. I saw my GP twice</p> <p>5. I saw my GP 3 or 4 times</p> <p>6. I saw my GP 5 or more times</p> <p>7. Don't know / can't remember</p>
Health	Detentions under the mental health act by ethnicity – Spotlight indicator	<p>Detentions under the Mental Health Act 1983, by ethnicity [spotlight indicator]</p> <p>NHS data from the following source: Table 1.C 'Detentions under the Mental Health Act 1983, by ethnicity, 2018-19' in Mental Health Act Statistics, Annual Figures 2018-19 data tables available at https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-act-statistics-annual-figures/2018-19-annual-figures#resources</p>	It is not possible to provide breakdowns for years previous to 2018/19 as explained in email correspondence with NHS Digital 'Before 2016, data on detentions under the Mental Health Act 1983 were collected in aggregate form in the KP90 collection and this did not include demographic breakdowns. These breakdowns only became available after 2016 when the data began to be produced from the Mental Health Services Data Set.'
Adult Social Care	Unmet need	<p>Unmet need for help for Activities of Daily Living (ADLs) among older people</p> <p>Health Survey for England from the following sources:</p> <p>Overall, by gender and by age figures are from NHS Digital (2019) table 4 IMD for 2018 are from (NHS Digital (2019), table 6</p>	<p>Unmet need definition:</p> <p>Health Survey for England (HSE) only records need as going unmet if no help whatsoever is received in the last month, from formal services or unpaid care, with the ADL or IADL in question. There is no category of 'insufficient help received'. However it is possible in HSE for help to be received by a respondent with some ADLs or IADLs but no help to be received with other ADL or IADLs,</p>

Social policy area	Indicator	Source	Notes
		<p>Disability 2018 from (NHS Digital (2019), table 7 NHS Digital (2019), Health Survey for England 2018: Social care for older adults, https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2018/health-survey-for-england-2018-data-tables</p> <p>Regional data is for 2016 and represents observed (as opposed to standardised) estimates of the % of unmet need in: NHS Digital (2017) Health Survey for England. Adult social care excel tables. https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/health-survey-for-england-2016</p> <p>IMD for 2016 is also from NHS Digital (2017)</p> <p>NHS Digital. 'Health Survey for England, 2016', 2017. https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/health-survey-for-england-2016.</p>	<p>in which case the respondent would still be recorded as having unmet need</p>

Social policy area	Indicator	Source	Notes
		<p>NHS Digital. 'Health Survey for England 2018: Social Care for Older Adults', 3 December 2019.</p> <p>https://files.digital.nhs.uk/83/BB997F/HSE18-Social-Care-rep.pdf.</p>	
Adult Social Care	Satisfaction with care received	<p>Proportion of service users who were satisfied with care and support they received.</p> <p>Personal Social Services Adult Social Care Survey data from the following sources:</p> <p>Annex tables and time series excel tables in NHS Digital (2012, 2015, 2019)</p> <p>NHS Digital, 2019. Personal Social Services Adult Social Care Survey, England - 2018-19 [PAS]</p> <p>NHS Digital, 2015. Personal Social Services Adult Social Care Survey, England - 2014-15.</p> <p>NHS Digital, 2012. Personal Social Services Adult Social Care Survey - England, 2011-12, Final</p>	<p>The measure shows the proportion of service users who are extremely/very satisfied with the care and support they received.</p> <p>Note: No comparable figures from earlier years.</p>

Social policy area	Indicator	Source	Notes
Adult Social Care	Unpaid Care – Spotlight indicator	<p>Proportion of adult informal carers providing 35 hours a week of care or more [Spotlight indicator]</p> <p>Figures for 2010/11 are from Table 6.1 in DWP (2012); figures for 2015/16 and 2018/19 are from DWP (2020; 2017) Table 5.3 'Carers data tables' excel document.</p> <p>Department for Work and Pensions. 'Family Resources Survey: Financial Year 2010/11', 14 June 2012. https://www.gov.uk/government/statistics/family-resources-survey-201011.</p> <p>Department for Work and Pensions. 'Family Resources Survey: Financial Year 2014/15', 28 June 2016. https://www.gov.uk/government/statistics/family-resources-survey-financial-year-201415.</p> <p>Department for Work and Pensions. 'Family Resources Survey: Financial Year 2018/19', 26 March 2020. https://www.gov.uk/government/statistics/family-resources-survey-financial-year-201819</p>	

Social policy area	Indicator	Source	Notes
Homelessness	Homeless households in priority need	<p>Homeless households in priority need accepted by local authorities (as owed full duty under 1977 Homeless Persons Act and successor legislation) – annual flow</p> <p>Figures provided by Glen Bramley</p>	<p>‘Priority need’ focuses on households with children or those who are vulnerable because of special circumstances (age, serious disability, mental ill-health), and this was the main focus of the system in England until 2017.</p> <p>Because of widely different policy frameworks and changes in these at different dates, we do not think it is appropriate to combine Scotland and Wales with England in the more detailed parts of the analysis (by gender, household type or ethnicity). For the same reason we use 2017/18 as the third time point for the comparison using indicator 1, because homeless acceptances in England are clearly non-comparable after the implementation of the Homelessness Reduction Act from FY 2018/19.</p> <p>Because of the limitations of and changes affecting homeless priority need acceptances, we would argue that the second and third indicators give a better picture of overall change in this period. But the more detailed demographic analysis is only presented for England and that is wholly based on priority need acceptances, as per the published data.</p>

Social policy area	Indicator	Source	Notes
			<p>Within this, some grouping of categories has been necessary.</p> <p>The demographic analyses (which is just for England) should be treated with some caution, partly because they rely on the priority need acceptances indicator and partly because of issues about categories and base household populations (estimated from different surveys, UKHLS and EHS, with margins of error or possible inconsistency in classification).</p>
Homelessness	Homeless households placed in temporary accommodation	<p>Homeless Households placed in Temporary Accommodation (of all kinds) at end of financial year – stock</p> <p>Figures provided by Glen Bramley</p>	<p>Unlike the measure focused on priority need, this measure is comparable up to 2018.</p> <p>Overall figures for homeless households placed in temporary accommodation per 1000 household are updated to 2018, however the final data point for the regional breakdowns and IMD quintiles are based on 2017 data.</p>
Homelessness	Core homelessness	Figures provided by Glen Bramley, based on the following sources: Bramley, G. (2017) <i>Homelessness projections: Core homelessness in Great Britain</i> , London: Crisis	Core homelessness combines estimates from a range of sources of numbers experiencing (a) rough sleeping; (b) staying in other unconventional spaces; (c) staying in hostels, shelters, refuges; (d) in 'unsuitable' forms of temporary accommodation (B&B, nightly-let nonselfcontained, 'out of area' placements);

Social policy area	Indicator	Source	Notes
		Bramley (2018) <i>Homelessness Projections – Updating the Base Number</i> unpublished report to Crisis.	<p>and (e) 'sofa surfing' defined as concealed household staying temporarily with another household (not parents, or students) and overcrowded.</p> <p>Core homelessness is a more recently developed concept that focuses on the most extreme and immediate circumstances of homelessness, and unlike the statutory system underlying 1 and 2 up to 2017 in England (or 2014 in Wales, or 2001/12 in Scotland) gives much fuller focus on single homelessness.</p> <p>Core homelessness has not yet been updated to 2018 so the latest available data is 2017.</p>
Early Childhood	Low Birthweight	<p>ONS birth characteristics data from the following sources:</p> <p>2009: Overall rates and regional breakdown: Characteristics of birth 1 - Table 5, Live births (numbers and percentages): birthweight and area of usual residence https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/datasets/characteristicsofbirth1englandandwales</p>	<p>All figures are for England and Wales, apart from the additional figures for Scotland and Northern Ireland which are provided in the regional breakdown.</p> <p>Unless otherwise stated, all for live births, and England and Wales.</p> <p>Scotland reports births slightly differently to England and Wales:</p>

Social policy area	Indicator	Source	Notes
		<p>NS-SEC breakdown: For 2009, this is taken from Stewart and Obolenskaya (2016) 'The Coalition's Record on the Under Fives: Policy, Spending and Outcomes 2010-2015', Social Policies in a Cold Climate Working Paper 12, London: CASE, LSE</p> <p>2014 and 2018: Overall rates and regional breakdown: Birth characteristics in England and Wales - Table 5: Live births (numbers and percentages): birthweight and area of usual residence https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/datasets/birthcharacteristicsinenglandandwales</p> <p>NS-SEC breakdown: Birth characteristics by parents' characteristics (and previous editions) – Table 17: Live births by birthweight and socio-economic classification https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/datasets/birthsbyparentscharacteristics</p>	<p>i) by year ending in 31 March (England and Wales report for the calendar year). We therefore use the 2019 data for Scotland. ii) LBW rates are expressed as a percentage of births with a known birthweight (whereas for England and Wales the denominator includes births without a known birthweight)</p>

Social policy area	Indicator	Source	Notes
		<p>Regional breakdown, all years:</p> <p>Scotland: https://beta.isdscotland.org/find-publications-and-data/population-health/births-and-maternity/births-in-scottish-hospitals/</p> <p>Northern Ireland: https://www.nisra.gov.uk/publications/pfg-2016-21-measurement-annex-babies-born-low-birth-weight</p>	
Early Childhood	Early Years Foundation Stage Profile (EYFSP)	<p>Achieving 'Good' level Early Years Foundation Stage Profile (EYFSP).</p> <p>Early years Foundation Stage Profile statistics available at https://www.gov.uk/government/collections/statistics-early-years-foundation-stage-profile</p> <p>Using file: APS_GLD_ELGL_UNDERLYING_DATA_2013_2019 Table 1: Time series of EYFSP attainment in key measures by gender</p>	<p>Series only goes back to 2013/14 consistently as explained in an email from the statistics team: 'Following an independent review of the EYFSP, a new Profile was introduced in September 2012 and the first assessments using the new Profile took place in summer 2013. The profile and EYFSP have a stronger emphasis on the three prime areas which are most essential for children's healthy development. These three areas are: communication and language; physical development; and personal, social and emotional development. The Profile requires practitioners to make a best-fit assessment of whether children are emerging, expected or</p>

Social policy area	Indicator	Source	Notes
		<p>Using file: EYFSP_pupil_characteristics_2019_Table_1</p> <p>Using file: EYFSP_2019_tables: Table 1: Achievement in early years foundation stage profile (EYFSP) teacher assessments by pupil characteristics Table 2: EYFSP attainment in key measures by gender and local authority</p> <p>Using file: SFR46_2014_national_LA_Tables Table 1: Achievement in early years foundation stage profile (EYFSP) teacher assessments by pupil characteristics Table PR1: Achievements in the early years foundation stage profile teacher assessments by IDACI Decile Table PR2: Achievements in the early years foundation stage profile teacher assessments by local authority district¹ and region of pupil residence.</p> <p>For 2019 IDACI breakdowns using file: EYFSP_Regional_IDACI_pr_additional_tables_2016_2019 from Pupil characteristics underlying data</p>	<p>exceeding against each of the 17 ELGs. As the content changed between the old and the new profile, comparisons cannot be made with pre 2013 EYFSP results'</p>

Social policy area	Indicator	Source	Notes
		<p>For SEN status in 2014 the following report was used: Department for Education (2014) 'Early years foundation stage profile attainment by pupil characteristics, England 2014' Statistical First Release SFR46/2014 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/376216/SFR46_2014_text.pdf</p>	
Early Childhood	Relative child poverty AHC youngest child 0 -4 years – Spotlight indicator	<p>Households Below Average Incomes (HBAI) statistics</p> <p>HBAI statistics from the following sources: https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201819</p> <p>For 2018/19 File: children-hbai-detailed-breakdown-2018-19-tables Table 4.6db: Percentage of children in low-income groups by various family and household characteristics, United Kingdom</p> <p>For 2014/15 File: 4_children_risk</p>	

Social policy area	Indicator	Source	Notes
		<p>Table 4.6db Percentage of children in relative low income and material deprivation by various family and household characteristics For 2010/11</p> <p>File: chapter_4_risk_hbai</p> <p>Table 4.6db: Percentage of children in low-income groups by various family and household characteristics, United Kingdom</p>	
Employment	Employment rate	<p>Labour Force Survey from the following sources:</p> <p>Overall employment rate and by gender: Figure 1 'UK employment rates (aged 16 to 64 years), seasonally adjusted, between January to March 1971 and December 2019 to February 2020' in ONS (21 April 2020) Labour Market Overview April 2020 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2020</p> <p>Employment rate by disability: from ONS, (11 August 2020) A08: Labour market status of disabled people, dataset available at https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/april2020</p>	<p>Employment rate for all years taken from the Dec- Feb quarter.</p> <p>Note employment rate by disability: 1. These data are not comparable with data from before 2013 due to a change in the wording of the survey questionnaire. 2. 'Disabled' category is based on ONS harmonized definition outlined above. 'Non-disabled' category includes people reporting a health problem but who are not classified as having a long-term health problem or disability under the Government Statistical Service harmonised standard definition of disability. Respondents who did not answer questions on their health situation are excluded from these estimates. 3. Years refer to Oct-Dec quarter. 4. Not seasonally adjusted, age 16-64, Labour Force Survey.</p>

Social policy area	Indicator	Source	Notes
		<p>yeetypes/datasets/labourmarketstatusofdisabledpeoplea08</p> <p>Employment rate by ethnicity: ONS (11 August 2020) A09: Labour market status by ethnic group https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandunemployment/datasets/labourmarketstatusbyethnicgroupa09</p> <p>Employment by age: Table A05: Labour market by age group: People by economic activity and age (not seasonally adjusted) from ONS (15 September 2020) A05 NSA: Employment, unemployment and economic inactivity by age group (not seasonally adjusted) at https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandunemployment/datasets/employmentunemploymentandeconomicinactivitybyagegroupnotseasonallyadjusteda05nsa</p> <p>Regional employment rates taken from ONS (15 September 2020) HI00 Regional labour market: Headline Labour Force Survey indicators for all regions at</p>	<p>Note employment rate by ethnicity: All years refers to Oct- Dec quarter (as next quarter includes March when effects of Covid started). Employment rates age 16-64 not seasonally adjusted therefore following advice from ONS the same quarter is compared across years.. Based on Labour Force Survey</p> <p>Note employment rate by age: All years refer to Dec-Feb quarter.</p> <p>Note regional employment rates: Employment rates for all years refer to Dec - Feb quarter and seasonally adjusted.</p>

Social policy area	Indicator	Source	Notes
		https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/headlinelabourforcesurveyindicatorsforallregionshi00	
Employment	In-work poverty	<p>With thanks to David Leese, Ben Drake and Peter Matejic for sharing unpublished data based on JRF analysis of Households Below Average Incomes data</p> <p>https://www.jrf.org.uk/report/uk-poverty-2019-20</p>	<p>In-work poverty measured as the relative poverty rate AHC for individuals in work.</p> <p>Disability, ethnicity and household type breakdowns are based on the characteristics of the household in which the worker lives.</p> <p>Data for ethnicity is based on three years of pooled data for the following years: 10/11-12/13 13/14-15/16 16/17-18/19</p>
Employment	Pay gaps – Spotlight indicator	<p>Gender pay gap taken from Figure 1 Gender pay gap for median gross hourly earnings (excluding overtime), UK, April 1997 to 2019 in ONS (29 October 2019) Gender pay gap in the UK: 2019 at</p> <p>https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2019</p>	<p>Gender pay gap notes:</p> <p>1. The gender pay gap is calculated as the difference between average hourly earnings of men and women as a proportion of average hourly earnings of men. It is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job.</p> <p>2. years refer to 2009, 2014 and 2019</p>

Social policy area	Indicator	Source	Notes
		<p>Disability pay gap data from Figure 6 Percentage difference in median gross hourly pay between disabled employees and non-disabled employees, UK, 2014 to 2018 in ONS (2 December 2019) Disability pay gaps in the UK: 2018 at https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/articles/disabilitypaygapsintheuk/2018</p> <p>Ethnicity pay gaps taken from Table 2: Median hourly pay (10 categories) and percentage difference between hourly earnings with White British employees ONS (12 October 2020) 'Ethnicity pay gap reference tables' available at https://www.ons.gov.uk/redir/eyJhbGciOiJIUzI1NiJ9.eyJpbmRleCI6MSwicGFnZVNPemUiOiJEWLCJwYWdlIjoxLCJ1cmkiOiIvZW1wbG95bWVudGFuZGxhYm91cm1hcmtldC9wZW9wbGVpbn dvcmsvZWYybmluZ3NhbmR3b3JraW5naG91cnMvZGF0YXNldHMvZXRobmljaXR5cGF5Z2Fwc mVmZXJlbnNldGFibGVzIiwibGlzdFR5cGUiOiJyZWxhdGVkZGF0YSJ9.-Ja_5b-veXBGfGW9yQHPHi642iuDAMUz8rR7QgHrZr0</p>	<p>3. Based on Annual Survey of Hours and Earnings (ASHE)</p> <p>Disability pay gap notes:</p> <p>1. Disability definition: <u>Government Statistical Service (GSS) harmonised "core" definition</u>: this identifies "disabled" as a person who has a physical or mental health condition or illness that has lasted or is expected to last 12 months or more, that reduces their ability to carry-out day-to-day activities.</p> <p>2. Disability pay gap calculated as: 'the difference between disabled and non-disabled average (median) hourly pay as a proportion of non-disabled average (median) hourly pay. For example, if the pay gap is 5.0% then disabled people are on average being paid 5.0% less than their non-disabled counterparts, whilst a negative 5.0% pay gap would denote that a disabled person is being paid on average 5% more than their non-disabled counterparts.'</p> <p>2. Using data from the Annual Population Survey</p> <p>3. Years refer 2014 and 2018</p> <p>Ethnic pay gap notes:</p>

Social policy area	Indicator	Source	Notes
			<p>These statistics refer to Great Britain rather than UK.</p> <p>In this study the headline measure for the ethnicity pay gap uses Annual Population Survey (APS) data and is calculated as the difference between the average hourly earnings of White British and other ethnic groups as a proportion of average hourly earnings of White British earnings. For example, a positive 5% ethnic pay gap between White British and Indian ethnic groups would denote that the median hourly earnings for employees of an Indian ethnicity are 5% less than median hourly earnings of White British employees. Conversely, a negative 5% pay gap would denote that employees of Indian ethnicity earn 5% more, on average, than White British employees.</p>