Social mobility under the coalition government: have the life chances of the poorest children improved?

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*The coalition government has consistently emphasised greater social mobility as one of its central goals. But its attempts to improve life chances for disadvantaged children have been undermined by tax-benefit reforms that have reduced family incomes, and by cuts to services for pre-school children, say **Kitty Stewart** and **Ruth Lupton**.*

How committed has the coalition government really been to furthering children's life chances? Social mobility has certainly been a key part of the government's rhetoric, from the first Spending Review in 2010, which claimed to have "social mobility at its heart", to Danny Alexander's recent insistence in Parliament that Coalition policies were "helping to ensure that young people have better life chances under this government." Alexander was responding to the publication of the CASE assessment of government social policy since 2010 , in part by disputing some of its conclusions. Here we summarise and clarify some of the findings from that work.

On the positive side, the government's early decision to protect education spending has sheltered school-age children from the impact of austerity cuts: schools funding increased 1% in real terms between 2009/10 and 2013/14. Furthermore, the introduction of the Pupil Premium Grant (PPG) has meant that resources have been more targeted on the most disadvantaged pupils than previously. From 2013/14 the PPG money was larger than other targeted resources it replaced. There is also a stronger onus on schools to ensure that the PPG is spent on the pupils it is intended for, and to monitor PPG initiatives closely to make sure that strategies are effective in narrowing the gap in attainment between disadvantaged and other pupils. (At the same time, however, changes to curriculum and assessment seem to have worked in the opposite direction, creating additional barriers to achievement for some children from poorer homes: this is the subject of another blog.)

The coalition also rolled out Labour's plans for free part-time early education for disadvantaged two-year-olds, starting from September 2013: as of January 2014 13% of two-year-olds were taking up these places. But when we broaden our vision to look at the bigger picture it is far from clear that these policies will be sufficient to overcome the effects of other government changes.

First, while schools funding has been protected, early years services have seen among the deepest cuts, despite the new two-year-old provision. According to official local authority spending figures, spending on Sure Start fell by nearly one third in real terms between 2009/10 and 2012/13, and by 38% between 2009/10 and 2013/14. More than 600 Sure Start centres had closed by June 2014, and the squeeze on funds meant reductions in services in many others – though some centres have been remarkably resilient. The government has argued that funding for Sure Start has, on the contrary, been maintained, but has produced no evidence to support this claim.

Meanwhile, spending on education for children under five fell by 11% in real terms between 2009/10 and 2012/13. Figures for 2013/14 are not yet available for England, so this does not include funding for the two-year-old places. However, government numbers for the UK as a whole show a 1% reduction in real spending on education for under fives between 2009/10 and 2013/14. This suggests that the two-year-old places are being funded by an unchanged early education budget overall, meaning the same money is being spread across more children.

Funding for the targeted childcare element of Child Tax Credit has also fallen, in this case by nearly one third to 2012/13. This is driven in part by changes in eligibility for tax credits, which mean fewer families qualify, and in part by a reduction in the maximum share of childcare costs that can be reimbursed, from 80% to 70%. About one quarter of the spending drop has gone into increased spending on childcare employer vouchers, but these largely benefit better off families.

The second big issue is that, overall, tax-benefit reforms have meant reductions in cash incomes, and rising child poverty, for families with children. Indeed families with children are the *only* household type that the coalition's tax-benefit reforms have left worse off on average. For these households the increase in the personal tax allowance has been offset by less generous child tax credit and wider changes such as reforms to local housing allowance, the introduction of the bedroom tax and the benefit cap. Some of these have disproportionately hit families with children. Figures from the Institute for Fiscal Studies show that tax-benefit reforms have meant an average loss of £1,000 to £2,000 per family, with larger families, lone parent households and couples with one or no earner feeling the largest effects. Our own calculations show that families with a baby have been hit hardest of all, with the abolition of a series of benefits targeted at families in the first year. The abolition of the universal Health in Pregnancy Grant and the Baby Tax Credit have alone taken £730 out of a family's budget between the sixth month of pregnancy and the baby's first birthday. Restrictions to Sure Start Maternity Grant have meant a further £500 loss for low-income families having a second or subsequent child.

School-age children from low-income backgrounds, then, have benefited from protected school spending and from extra resources through the PPG, but have suffered from reductions in family income. Overall (and on average) they have come out more or less even: the PPG in 2014-15 is £1300 for a primary pupil and £935 for a secondary pupil, so a family with one of each has gained on average just a little more at school than the sum lost from their household budget.

For children under five, the story is very different. These children have experienced large cuts in both benefits *and* services. This odd picture, in our view, reflects a combination of conscious policy choice and incoherent muddle, neither of which operates in the clear interest of children. The decision to address low attainment through investment in services rather cash incomes was a conscious one, reflecting a professed belief that the previous government had focused too heavily on income poverty, and that "the most sustainable way to [improve the life chances of children in lower-income families] is to invest in the public services which they use" (Child Poverty Strategy 2011). But it was a decision that was not well rooted in evidence. Our own systematic review of research on whether cash income has a causal impact on child development found strong evidence that it does, particularly in low income families and particularly for cognitive development and school achievement. The effect sizes look similar to or larger than those coming out of the educational research: a £1,000 increase in family income would be expected to have at least as big an effect as a £1,000 per pupil increase in education spending. So there is no reason to think that taking money out of household budgets and giving it to schools to spend will result in improved outcomes for children.

In contrast, protecting services for school-age children but not for younger ones seems to reflect a lack of joined-up thinking rather than deliberate policy choice. The coalition were clear about the importance of early childhood: in 2010 and 2011 they commissioned a series of independent reports covering the early years, all of which underlined the need for investment. But two key early decisions – to reduce the deficit primarily through spending cuts not tax increases, and to protect big ticket items including education, health and pensions – meant the axe had to fall more heavily elsewhere. Local services for young children were hit because they are funded and delivered by local authorities, which saw a major cut in their funding settlement. Childcare funding suffered because it is delivered through the social security system, which had to find major savings while leaving benefits for pensioners intact.

For most outcomes the data are not yet available which would give us a clear indication of whether the life chances of the poorest children have improved in the last five years. But taking the coalition's social policy programme as a whole, we think there is little grounds for optimism on this front. If progress is to be made on this agenda under a future government, a more strategic approach is crucial, one which considers the full picture of benefits and services for children, rather than focusing on just one or two flagship policies.

Note: This article gives the views of the authors, and not the position of the British Politics and Policy blog, nor of the

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