Cutting away at our children’s futures: how austerity is affecting the health of children, young people and families

September 2016
The BMA has been collating evidence on the relationships between austerity, poverty, social inequality and ill health through a range of initiatives. Our focus on these relationships and poor child health outcomes has incorporated a recent review of the 2013 BMA report *Growing Up in the UK: Ensuring a healthy future for our children*, which establishes what is needed to move towards an equitable society where all children are given the best start in life.

In the report, the BMA highlights the importance of supporting measures to tackle poverty and reduce inequalities before birth and continuing throughout the life of the child, by applying a life-course approach whereby health and wellbeing are integrated on a continuum from pre-conception to adolescence. It also demonstrates the need for establishing accountability at government level for children’s health and wellbeing that includes a framework of monitoring, reviewing and remediing processes to prevent further disparities in child health.

The BMA has identified that little has changed since publication of the report in 2013 to address the barriers to improving child health, and most critically, that the majority of areas explored by the original report – including mental health, child maltreatment, and children with disabilities – are experiencing worsening health outcomes and inequalities today.

**International context**

Since the publication of the 2013 BMA report *Growing Up in the UK: Ensuring a healthy future for our children*, international benchmarks continue to point to outcomes for UK children that remain far from satisfactory, and significantly below those achieved in other high-income countries.

In 2014, both UNICEF (United Nations International Children’s Emergency Fund) and the OECD (Organisation for Economic Cooperation and Development) have focused their reporting on the effects of the global economic crisis and its varying impact on the lives of children and young people in different countries, including the UK.

UNICEF’s report reveals a strong relationship between the impact of the Great Recession on national economies and a decline in children’s wellbeing since 2008. It identifies children as the most enduring victims of the economic recession, and emphasises that it is the poorest and most vulnerable children – such as those in jobless, migrant, lone-parent and large households – who have already suffered disproportionately and are over-represented in the most severe ranges of poverty statistics.


UNICEF’s ‘severe material deprivation’ indicator broadly captures a picture of the material wellbeing of families, in contrast to purely monetary measures of households. Children (aged 0-17 years) are considered to be ‘severely materially deprived’ when the household they live in cannot afford at least four of the following nine items:

- to pay rent, mortgage or utilities;
- to keep the home adequately warm;
- to face unexpected expenses;
- to eat meat or proteins regularly;
- to take a holiday;
- to have a television;
- to have a washing machine;
- to have a car;
- to have a telephone.

In September 2014, UNICEF published its *Innocenti Report Card 12 Children of the Recession: The impact of the economic crisis on child well-being in rich countries*. In this report, UNICEF categorises the UK as ‘moderately affected’ by the economic recession. This classification refers to ‘a country that is highly indebted (more than 60% of GDP) or that suffered a large debt increase (more than the average).’

The report demonstrates that between 2008 and 2012 the median income in UK households with children decreased sharply at around 15%, and that UK families with children have lost the equivalent of 6 years of income progress (according to decreases in household income from 2008-2012). UNICEF infers that the situation was likely worse for children in families at the lowest income levels.
The findings of the report card emphasise that there was an unprecedented increase in the number of children living in severe material deprivation between 2008 and 2012, and almost half (44%) of the severely materially deprived children in 30 European countries in 2012 lived in three countries: Italy (16%), Romania (14%) and the UK (14%).

The most recent UNICEF Innocenti Report Card 13 on inequality in child well-being in rich countries reiterates the important role of social benefits to prevent poverty and material deprivation. The report states that social benefits in the UK work to nearly halve the relative income gap, and that without significant social benefits or transfers, the income gap in the UK would be among the highest in Europe.

A 2014 report by the Secretary General of the OECD reviews the social challenges since the beginning of the economic crisis and states that ‘in the majority of OECD countries, young adults and families with children face considerably higher risks of poverty today than in 2007’. It also states that averaged across the OECD countries, ‘the proportion of poor people is now, for the first time, lower among the elderly than among young adults and children.

The findings of both UNICEF and OECD are particularly concerning given the association between early childhood low income or socioeconomic status and later adverse physical health outcomes. These reports serve as a caution to future policy makers responsible for making decisions about suspending or removing services for children, young people and families.

To prevent further damaging effects of the economic crisis on children and young people’s health and wellbeing, UNICEF makes a number of key recommendations calling on countries to:

- produce better data on the recession’s impact on children’s wellbeing;
- place the wellbeing of children at the top of their responses to the recession; and
- promote opportunities to break the cycles of child vulnerability.

Austerity and welfare reforms in the UK

In June 2008, the United Kingdom and other Member States of the WHO (World Health Organization) Europe adopted the commitments of the Tallinn Charter: Health Systems for Health and Wealth.

The Charter preamble sets out a number of obligations requiring all countries in the WHO European Region to address major health challenges in a context of demographic and epidemiological change, widening socioeconomic disparities, limited resources, rising expectations, and technological development.

In the same year that the UK signed the Tallinn Charter, the global economic crisis began to take hold, leading to a tightening of private sector credit, and ultimately the collapse of several financial institutions, sharp increases in public sector debt and declines in global trade, markedly lower and in some cases negative GDP growth, and rising unemployment in many industrialised countries. The Tallinn Charter confirms the link between good health and a healthy economy and states that ‘improved health contributes to social well-being through its impact on economic development, competitiveness and productivity. High-performing health systems contribute to economic development and wealth’.

By signing the Charter, the UK commits to ‘invest in health systems and foster investment across sectors that influence health, using evidence on the links between socioeconomic development and health’.

Tallinn Charter: Health Systems for Health and Wealth 2008, Preamble and Commitment to Act
In response to the crisis, the UK and other countries faced calls to drastically curb spending. Despite its obligation to the Charter commitments to invest in health, in 2010 the UK government commenced a plan for ‘eight successive years of tax increases and spending cuts intended to offset the permanent rise in public borrowing that became apparent after 2008’\textsuperscript{11}. A succession of spending cuts and reforms followed between 2010 and 2016. A vast majority of reforms were implemented through the \textit{Welfare Reform Act 2012} and when fully implemented, were estimated to be worth £19 billion a year.\textsuperscript{12}

The \textit{Welfare and Reform Act 2012} implemented:\textsuperscript{13}

- the phased introduction of Universal Credit;
- the abolition of Council Tax Benefit at UK level;
- the abolition of certain discretionary elements of the Social Fund at UK level;
- the phased replacement of Disability Living Allowance (DLA) with the PIP (Personal Independence Payment) for working adults;
- changes to Housing Benefit in relation to under-occupancy in the social housing sector (the ‘bedroom tax’);
- the introduction of a cap on the total amount of benefits that working-age people can receive (the benefit cap);
- changes to entitlement for contributory element of Employment and Support Allowance;
- changes to Local Housing Allowance;
- a new requirement on lone parents, whose youngest child has reached the age of five to look for work, meaning they must claim Jobseeker’s Allowance instead of Income Support;
- the introduction of a new Claimant Commitment that sets out the particular jobseeker activities that any claimant must undertake in order to receive benefit.

In April 2015, the Conservative Party launched its general election manifesto, which included a commitment that the party ‘will work to eliminate child poverty and introduce better measures to drive real change in children’s lives, by recognising the root causes of poverty: entrenched worklessness, family breakdown, problem debt, and drug and alcohol dependency’.\textsuperscript{14}

In July 2015, the UK government budget announced a £12 billion cut from annual welfare spending by 2019/2020, reasoning that the welfare bill is too high, the welfare system traps too many people in benefit dependency, and that this measure ensures that the welfare system is fair to taxpayers while supporting the most vulnerable.\textsuperscript{15,16}

The government confirms in the table below that £12 billion of the £17.1 billion to be cut by 2019/2020 will be cut from welfare.

\textit{Tax and benefit reforms introduced since April 2010 can account for almost all of the increase in child poverty projected over the next few years using the absolute low income measure; using the relative low-income measure, child poverty would actually have fallen in the absence of reforms as a result of falls in median income’}

An analysis conducted by the Institute for Fiscal Studies highlights the effects of a number of UK-wide welfare reforms in the July 2015 budget:17

- A four year freeze to working age benefits predicted to affect 13 million families across the UK, who are set to lose £260 a year on average (7.4 million in work, losing £280 a year on average).
- A reduction in the cap on the total amount of benefits that out-of-work families can receive, to be cut from £26,000 to £23,000 inside London, and £20,000 outside London from April 2016.
- A large reduction in ‘work allowances’ (how much families can earn before benefits start to be withdrawn). Tax credits will start to be withdrawn once family earnings reach above £3,850 rather than £6,420, affecting just over 3 million families who are set to lose an average of just over £1,000 per year. While this only affects working families, this reform weakens incentives for families to have someone in work.
- Abolition of the family element in child tax credit and equivalent in Universal Credit from April 2017, estimated to affect four million families.
- Limitation of support provided to families through tax credits to two children, so that any subsequent children born after April 2017 will not be eligible for further support. These changes are set to affect 872,000 families who in 2015 were receiving an average of £3,670 a year of support for third and subsequent children (£48,000 in work). An equivalent change will also be made to Housing Benefit and Universal Credit to families who make a new claim from April 2017.18
In England, local authorities fund a number of key child health initiatives including: the National Child Measurement Programme; prescribed services for children aged 0-5; obesity and physical activity services; specialist drugs and alcohol misuse services for children and young people; and public health programmes for children aged 5-19 years old. According to the Institute for Fiscal Studies, spending by local authorities in England was also cut significantly, ‘between 2009-10 and 2014-15 spending was cut by 20.4% after accounting for economy-wide inflation. Taking into account population growth over this period, spending per person was cut by 23.4%’.

The Scottish Parliament has powers governing important areas in relation to child poverty, including health, education and housing. Despite the funding cuts imposed by the UK Government, Scottish local government’s share of the overall Scottish budget was maintained in 2011/12 and councils were provided with a total funding package of £11.5 billion which included funding to tackle child poverty. Scotland also introduced a number of key initiatives to mitigate the effects of the UK Government’s cuts. These include:

- Council Tax Reduction Scheme in response to the UK Government’s cut in funding for Council Tax Benefit, protecting over 515,000 vulnerable households in Scotland including more than 86,000 single parents.
- Discretionary Housing Payments, providing local authorities with £125 million to support those affected by the ‘bedroom tax’ in Scotland between 2013-2017. These payments have fully mitigated the effects of the ‘bedroom tax’ and are estimated to already have provided assistance to 11,000 households with one or more children.
- Provision of £38 million to local authorities through the Scottish Welfare Fund which provides crisis grants and community care grants to vulnerable groups.

[Source: Joseph Rowntree ‘Monitoring poverty and social exclusion 2015’, Table: Key welfare reforms and estimates of their impact p6]

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Provision of £54 million in funding for universal free school meals to children in primary one to three in 2016/17.\textsuperscript{26}

In Wales, benefit spending was around 11\% higher than the average for Great Britain as a whole in 2011/2012.\textsuperscript{27} The Welsh Government attempted to mitigate some of the impact of welfare reforms by covering the reduction of support for council tax implemented by the UK Government, and prioritised investment in the construction of smaller properties and the provision of advice services, in the expectation that these would be a more sustained and enduring response to the reforms.\textsuperscript{28} As a result of benefit reforms implemented by the UK Government between May 2010 and April 2015, (excluding Universal Credit and Personal Independence Payment), working age households with children in Wales will have lost £25 a week (3.6\% of net income) on average.\textsuperscript{29} According to the Institute for Fiscal Studies, Welsh households with children ‘are hit harder than those without because they are more reliant on benefits, and because there are particularly large cuts to benefits that such households claim — such as child benefit and tax credits’.\textsuperscript{30}

In Northern Ireland, a January 2016 report\textsuperscript{31} by the Welfare Reform Mitigations Working Group made recommendations to allocate a fund of £585 million over a period of four years to mitigate the effects of welfare reform. The support measures aimed at protecting the most vulnerable people in Northern Ireland include:

- Mitigation of the bedroom tax for a period of four years. The administration of this initiative has not yet been confirmed and could include a decision not to apply bedroom tax, or establish a bedroom tax mitigation fund to which claimants could apply.
- Supplementary payments over a four year period to carers, those with ill health and disability, and families. These proposed payments will not be means-tested, will not attract premiums, and are unlikely to count as taxable income.
- £105 million funding commencing in 2017/2018 in the form of ‘cost of working allowances’ for families claiming working tax credit and universal credit in recognition of the cost of childcare and ‘the sense of grievance those in work on low wages may feel when they compare themselves with those not in employment’.
- £2 million to be set aside from 2017 to make emergency payments where hardship occurs as a result of difficulties resulting from the commencement of universal credit.
- Support to address financial insecurity brought on by cuts to benefits, the onset of serious illness, losing a job and taking on low paid and insecure work.

**Impact of the Welfare Reform and Work Act 2016**

According to University College London, ‘an economic crisis is likely to have a significant impact on the social determinants of health,\textsuperscript{32} meaning the factors that affect health and wellbeing, and the circumstances into which we are born, grow up, live, work and age.\textsuperscript{33} Evidence from past recessions suggests that ‘inequalities in health according to socioeconomic group, level of education and geographical area are likely to widen following an economic crisis’.\textsuperscript{34}

The resulting severe economic hardship from the crisis in the UK, including lowered household income,\textsuperscript{35} and consequent spending cuts, have been disproportionately detrimental to children, young people and low income families, and in particular, those who were already at a disadvantage such as migrant children and lone parent families.\textsuperscript{36} While household incomes across the population started rising again in 2014 for the first time since 2008,\textsuperscript{37} the harmful effects of spending cuts have continued to place those vulnerable children at a severe disadvantage at a crucial time in their growth and development.

The Welfare Reform and Work Act 2016 reforms a number of key welfare provisions and amends child poverty legislation, replacing the Child Poverty Act 2010 with the Life Chances Act, and introducing a four year freeze on child benefit and reduction in child tax credits.

The All Party Parliamentary Group on Health in All Policies Inquiry into child poverty, health and the impact of the Welfare Reform and Work Bill 2015-16,\textsuperscript{38} expressed a number of concerns about the impact of these further welfare reforms on children:

The Joint Committee on Human Rights concluded in their 2014-15 report that ‘the impact on children of this current period of austerity has been greater than for many other groups’. Joint Committee on Human Rights, ‘The UK’s compliance with the UN Convention on the Rights of the Child’ 2014-15, 3
The changes to the statutory mechanism for tackling child poverty set out in the Child Poverty Act 2010 that place greater emphasis on worklessness and low educational attainment would not capture the substantial number of children in poverty that live in working households.

The combined effect of lowering the benefits cap, four year benefits freeze, and changes to the universal credit work allowance would significantly reduce the income of thousands of already struggling families, particularly those with a single parent. This would increase levels of child poverty and exacerbate the many risks to children’s health, wellbeing, educational development and future prospects.

The introduction of greater conditionality for carers in universal credit (lowering the age of the youngest child of a carer at which the carer is expected to begin work-related activity) will exacerbate child poverty, as many carers, particularly single parents, are highly motivated to find work but face significant structural barriers to employment.

There is strong evidence that the cumulative effect of the welfare reforms are likely to increase levels of child poverty for those households affected by them. Families with one or more disabled member including disabled children; lone parents; families at risk of homelessness; families with three or more children; and other vulnerable groups, will be more affected.

**UN criticisms of UK welfare reforms**

The United Nations Committee on Economic, Social and Cultural Rights released a critical report in June 2016 on the UK’s implementation of the International Covenant on Economic, Social and Cultural Rights. The report echoes domestic dissatisfaction with the welfare reforms, and formally expresses serious concerns relating to:

- **Welfare reform and social benefit changes**: ‘various changes in the entitlements to, and cuts in, social benefits, introduced by the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016, such as the reduction of the household benefit cap, the removal of the spare-room subsidy (bedroom tax), the four year freeze on certain benefits and the reduction in child tax credits’;

- **Adverse effects of welfare reforms**: ‘the adverse impact of these changes and cuts on the enjoyment of the rights to social security and to an adequate standard of living by disadvantaged and marginalised individuals and groups, including women, children, persons with disabilities, low-income families and families with two or more children’;

- **Failure to conduct impact assessment**: the UK ‘has not undertaken a comprehensive assessment of the cumulative impact of such measures on the realisation of economic, social and cultural rights, in a way that is recognised by civil society and national independent monitoring mechanisms’;

- **Failure to address social inequalities**: ‘the adverse impact that recent changes to the fiscal policy in the State party, such as the increase to the inheritance tax limit...the Value Added Tax, as well as the gradual reduction of the tax on corporate incomes are having on the ability of the State party to address persistent social inequality and to collect sufficient resources to achieve the full realisation of economic, social and cultural rights for the benefit of disadvantaged and marginalised individuals and groups’;

- **Need to address risk for most vulnerable groups**: ‘certain groups of the population are more affected by, or at an increased risk of, poverty, in particular persons with disabilities, persons belonging to ethnic, religious or other minorities, single-parent families and families with children’;

- **Specific challenges faced by asylum seekers**: the challenges that asylum seekers face ‘in the enjoyment of economic, social and cultural rights, particularly due to restrictions in accessing employment and the insufficient level of support provided through the daily allowance’; and

- **Lack of specific definition of poverty**: the UK ‘does not have a specific definition of poverty, and...the new Life Chances Strategy, as contained in the Welfare Reform and Work Act 2016, has repealed the duty to meet time bound targets on child poverty, which remains high and is projected to increase in the future, especially in Northern Ireland’.
Child poverty targets

When the UK Labour Government took office in 1997, it pledged to reduce health inequalities, halve child poverty by 2010, and eradicate it within 20 years. The Child Poverty Act 2010 - which received cross-party support - fulfilled this commitment, and enshrined it in legislation. It placed duties on Scotland and Northern Ireland to publish child poverty strategies setting out their contribution to meeting the targets, however Wales had already enacted its own legislation prior to the Act which imposed corresponding duties on Welsh Ministers.40

The Act sets out four legally-binding child poverty targets to be met by 2020.41

- **Relative poverty** – less than 10% of children in families below 60% of median income before housing costs;
- **Absolute poverty** – less than 5% of children in families below 60% median income in 2010/11, adjusted for RPI inflation;
- **Combined low income and material deprivation** – less than 5% of children in families below 70% median income are unable to afford key goods and services;
- **Persistent poverty** – less than 7% of children in relative poverty for at least three out of the last four years.

The 2010 child poverty targets were not met. According to the authors of the BMA’s Growing Up in the UK report, too many of the health policies that followed these pledges focused on modifying individual health behaviours, and taxation polices were not sufficiently progressive to achieve the redistribution of wealth that was promised.42

Despite efforts by the Work and Pensions Secretary to abolish the child poverty targets in January 2016, a majority in the House of Lords voted to keep them in force and they will remain in force under the Life Chances Act.


Recent child poverty trends

**A note on child poverty statistics** [Source: Joseph Rowntree What is meant by ‘poverty’?]43

**Relative poverty**

Poverty can be defined and measured in various ways. The most commonly used approach is relative income poverty. Each household’s income, adjusted for family size, is compared to median income. (The median is the “middle” income: half of people have more than the median and half have less.) Those with less than 60% of median income are classified as poor. This ‘poverty line’ is the agreed international measure used throughout the European Union.

**Absolute poverty**

This is a term used in various different ways to denote a poverty level that does not change over time, in terms of the living standard that it refers to. It stays the same even if society is becoming more prosperous. An absolute poverty line represents a certain basic level of goods and services, and only rises with inflation to show how much it would cost to buy that package.
Before and after housing costs
Due to the rising costs of housing across the UK, living standards are commonly measured either before or after housing costs have been deducted. Housing costs include mortgage repayments, rent payments and other things like water costs. Shelter UK reiterates how important housing costs are in calculating poverty statistics, stating that ‘when we look at household income after renting and mortgage costs have been deducted, we can observe that a significantly higher number of households fall below the poverty line’. This is known as ‘housing induced poverty’.

How many children live in the UK?
The Office for National Statistics states that there were 13.8 million dependent children living in the UK in 2015. Dependent children are defined as those living with their parent(s) and either (a) aged under 16, or (b) aged 16 to 18 in full-time education, excluding children aged 16 to 18 who have a spouse, partner or child living in the household.

How many UK children live in poverty?
(Please note: The following statistics are based on the most recent available data for each country as at publication).

In Scotland in 2013/14, 140,000 children (14%) lived in relative poverty before housing costs, a decrease from 19% the previous year, which reverses the increase seen in 2012/13. The Scottish Government attributes this decrease to improved economic circumstances such as increases in employment, including lone parent employment and full-time working.

As at March 2016, in Northern Ireland there were just over 100,000 children living in low-income, and the number of 16-29 year olds in poverty has increased by six percentage points to 24%, equating to 15,000 young people.

As at July 2016, 200,000 children in Wales (29%) lived in households with incomes less than 60% of the contemporary median after housing costs. Despite a slight fall in child poverty in comparison to data from 2011/12, Wales still has the third highest poverty rate in the UK, behind London and the West Midlands and the same as the North West of England.

In England during the three years ending 2013/14, 31% of children in England were living in absolute poverty after housing costs, with the best performing English region (the South East) still recording a child poverty rate of 25%.

UK-wide child poverty before housing costs
According to the Department for Work and Pensions, before housing costs are taken out, 2.3 million children live in relative low income, and 2.6 million under the absolute low income measure. The Department also states that ‘children are at higher risk of living in both relative and absolute low income than the overall UK population, [and that] this result holds over the past 20 years and is true on both a before and after housing costs basis’.

Figure 3: Number of UK children living in low income in 2013/14 before housing costs

<table>
<thead>
<tr>
<th>Before housing costs</th>
<th>Number of children in 2013/14</th>
<th>Percentage of total UK children in 2013/14</th>
</tr>
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<tbody>
<tr>
<td>Children living in relative low income</td>
<td>2.3 million</td>
<td>17%</td>
</tr>
<tr>
<td>Children living in absolute low income</td>
<td>2.6 million</td>
<td>19%</td>
</tr>
</tbody>
</table>

UK-wide child poverty after housing costs
The Department for Work and Pensions states that between the years 2012/13 and 2013/14 the number of children in relative and absolute low income after housing costs was 3.7 million and 4.1 million respectively. This equates to approximately 28% of children under 18 in the UK, or ‘9 children in poverty in a classroom of 30’.

Figure 4: Number of UK children living in low income in 2013/14 after housing costs

<table>
<thead>
<tr>
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<th>Number of children in 2013/14</th>
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<tr>
<td>Children living in relative low income</td>
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</tr>
<tr>
<td>Children living in absolute low income</td>
<td>4.1 million</td>
<td>31%</td>
</tr>
</tbody>
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Predicted increase in child poverty
Using before housing costs measures, the Institute for Fiscal Studies projects ‘continued increases in child poverty in the UK between 2016 and 2020...to 23.5% (relative) and 27.2% (absolute) in 2020’. This is in comparison to the 2020 poverty targets of 10% and 5%, and translates to increases across the decade of 1.1 million more children in poverty according to the relative low-income measure, and 1.4 million more children living in poverty according to the absolute low-income measure.

A 2016 House of Commons Briefing Paper explains the cause of predicted increases in the amount of children living in absolute low income as a culmination of: stronger earnings growth for households in the middle of the distribution than those at the bottom of income distribution; an increase in poverty for families with three or more children; and planned tax and benefit changes which are estimated to explain all of the projected increase for larger families.

Who is living in poverty?
Ethnicity
It is more likely for individuals living in households headed by someone from an ethnic minority to live on low income. This is particularly the case for households headed by someone of Pakistani or Bangladeshi ethnic origin, and those who identify as black, African, Caribbean and black British ethnicity.
Region and country

The Institute for Fiscal studies predicts that child and working-age poverty will increase across the UK over the next decade.\textsuperscript{60}

The Department for Work and Pensions lists the following findings in relation to location of those living in poverty in the UK:\textsuperscript{61}

- **England/Scotland**: Children living in England and Scotland were less likely to live in low-income households before housing costs, than those living in Wales and Northern Ireland.
- **London**: London has the highest poverty rates in England. After housing costs, the percentage of individuals in relative low income was highest in Inner London at 33%, reflecting the higher housing costs in this region.
- **Northern Ireland**: Northern Ireland has the highest percentage of individuals in relative low income at 20% before housing costs.
- **South East England/East England/Scotland**: The South East has the lowest percentage of individuals in relative low income at 12% before housing costs; and the joint lowest percentage at 18% after housing costs, with Scotland, the South West and the East of England.
- **Wales**: Wales has the joint highest rate of poverty in the UK outside London. After housing costs are considered, 23% of the population (700,000 people) had incomes below the contemporary median, and as at July 2016, the proportion and number of people living in relative income poverty after housing costs are unchanged since 2006/07.\textsuperscript{62}
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British Medical Association

Figure 6: Percentage of individuals in relative low income by Region/Country 2013/14, UK (3 year average)


Effects of poverty on the daily lives of children, young people and families

Household costs and living standards

The Institute for Fiscal Studies states that although recessions are typically associated with falls in household incomes, and the most recent recession was no exception, ‘even more striking, perhaps, has been the slowness of the subsequent recovery in living standards’.63

A 2014 study conducted by Joseph Rowntree found that between 2008 when the recession began and 2014, the cost of ‘food has risen by 26%, domestic energy 45%, and bus travel by 37%’.64 They also reported that during this period the price of these essentials has risen faster than general inflation, and household incomes have not kept pace with these rising costs.

The increases in household costs such as food, fuel and rent have hit lower income families harder than families on average incomes.65 Households living on a low income may not have access to sufficient resources to lead a healthy life,66 such as fresh nutritious food, and heating for their home. Also, because working households must earn substantially more in 2014 than in 2008 to meet the Minimum Income Standard,67 they may be forced to reduce leisure and socialising time, all of which may have mental and physical health consequences.68

According to Joseph Rowntree, ‘the effect on the amount that families need to earn in order to afford a minimum budget has been all the more stark because the more that a family earns, the more they lose in tax credit...like “running up a down escalator”’.69 The situation is more concerning for working families ‘who rely on tax credits in work benefits to reach the Minimum Income Standard level...rather than protect such families from additional pressures experienced in hard times, tax credit support has itself been cut’.70 These findings are reinforced by those from the Institute for Fiscal Studies whose latest report reveals that...
‘middle income families with children now more closely resemble poor families than in the past. Half are now renters rather than owner occupiers and, while poorer families have become less reliant on benefits as employment as risen, middle-income households with children now get 30% of their income from benefits and tax credits, up from 22% twenty years ago’.71

Figure 7: Percentage of poorest, middle and richest fifths of the population’s income spent on food, fuel and rent

Income poverty
Household unemployment is now the lowest on record, and only 16% of working-age households have no working adult.72 However, there has been a rise in the number of people on temporary contracts in the last five years, and more people in self-employment who are experiencing falls in their income.73 Similarly, there are more people working part-time who want full-time work, and pay rates are lower than they were five years ago.74

Due to the rises in employment between 2009-10 and 2013-14, there is now an increase in the proportion of children living with working parents.75 However, falls in real earnings have reduced the incomes of working families,76 so for some families where at least one adult is employed but receiving minimum wage or low pay, they may still live below the poverty line. For example, ‘a couple with two children would need to work 58 hours a week at the minimum wage to lift themselves out of poverty’.77 This is called in-work or income poverty – where at least one family member works but a family is still living below the poverty line because their income is minimal.

These families may not be able to buy all the household goods they need despite having a family member in employment. As stated by the Institute of Fiscal Studies, ‘while children without working parents remain much more likely to be deprived, 58% of materially deprived children now live in a family where at least one parent works, compared with 49% in 2010-11’.78

This shows how important it is to measure poverty in context, and look beyond income or employment statistics. Failure to do so can have unintended policy consequences.
example, for more than 1.5 million disadvantaged children over the age of eight, having a parent who works for low pay means that they lose out on free school meals because their parents are in work, even if their income is below the eligibility threshold of £16,190 a year.79

**Poverty and school**

The WHO lists education as one of the social determinants of health, having considerable impacts on the health of individuals and communities. According to the WHO, ‘low education levels are linked with poor health, more stress and lower self-confidence’.80 For many families in poverty, ensuring their children get an education is viewed as a route out of poverty. However, the basic costs of sending a child to school is an enormous burden for those on a low income.

In 2014 it cost approximately £800 to send a child aged between 8-17 years old to school, including expenses such as clothing, school meals, school trips, and travel to and from school.81 This burden is increased for some low income earning families, as over half a million children in poverty are not entitled to receive a free school meal.82

A survey of 2,000 parents across Britain found that ‘more than two-thirds (70%) of parents say they have struggled with the cost of school’, half (51%) of parents said they had cut back on clothing, food or heating to afford school costs, and ‘a quarter of parents (and more than half of those in families which were “not well off at all”) said they had borrowed money in order to afford the cost of school’.83

**Housing**

Another WHO social determinant of health is the physical environment and, more specifically, that having a safe house to live in contributes to good health.84 This is reinforced by findings of the NHS Independent Mental Health Taskforce who found that ‘children living in poor housing have increased chances of experiencing stress, anxiety and depression’.85 Joseph Rowntree notes a shift in the mix of people in poverty ‘towards younger, working people in private rented accommodation’.86 In 2015, there were 1.3 million children across the UK living in poverty in private rented housing, which is almost as many as those who live in social rented housing.87

Eviction and homelessness are also on the rise, and ‘over the last five years, the number of rented households in England and Wales who were evicted had more than trebled, and now stands at 18,000,88 while ‘according to Government statistics, homelessness rose from 1,768 in 2010 to 2,744 by 2014. That is a rise of more than half’.89 This steep increase in such a short period of time may be the result of increased budget cuts, as ‘budget reductions are a significant contributing factor to rises in homelessness’.90

Joseph Rowntree states that ‘poorer households are around four times as likely to spend a third or more of their income on housing as households with average incomes’.91 They identify that ‘there is now a growing group, a subset of those in poverty, whose circumstances both in terms of material wellbeing and security, are far worse than five or ten years ago. This group includes those whose benefits have been sanctioned or capped, people in temporary accommodation, and people who have been evicted from their homes’.92

While in 2003/2004 ‘there were more people in poverty aged over 65 than 16-25, the opposite is now true93 and these vulnerable young people are severely impacted by budget cuts and changes to the welfare system. For example, in the 2015 Summer Budget, the Chancellor announced ‘the removal of entitlement to the housing element of Universal Credit (currently Housing Benefit) from young people aged 18-21, with some exceptions, from April 2017’.94
There are a number of reasons why a young person may not be able to remain living with their parent or carer, including: ‘young people who have not been residing in their potential homes as children, those who are leaving care, those who have parents in prison, or have been in prison themselves, those who are orphans, those for whom remaining in the family home would be potentially harmful e.g....abuse in the family home’.95

Additionally, because 11% of Jobseeker Allowance claimants aged 18-21 have children of their own,96 this budget cut will affect two generations of children, making them vulnerable in terms of safety, financial insecurity and potential risk of homelessness.

Impact of budget cuts on Sure Start Children’s Centres in England

Introduced in 1999, the Sure Start Children’s Centres programme, a service for 0 to five year olds, was established in England to provide health and education services in the early years of a child’s life alongside schools, community health services and general practitioners.

Services provided by the Centres include parenting advice, breastfeeding support, health visitor check-ups, and family outreach support delivered at home. Additionally, Children’s Centres perform strongly in the work they undertake to reach out to children and families with especially difficult and complex needs such as child protection, support for those experiencing domestic violence, and support for children with special educational needs. The success of Children’s Centres in extending their valued support to vulnerable families, highlights the crucial role they play to deliver early intervention and preventative care to support the health and development of young children.

When Children’s Centre managers were asked about particular “target group” families they currently work with, the results97 demonstrated that:

- 96% work with children from low income backgrounds;
- 93.6% work with “children in need” or on child protection plans;
- 87.9% work with lone parents, teenage mothers or pregnant teenagers;
- 83.3% work with children living with domestic abuse;
- 78.8% work with children living with adult mental health issues;
- 66.9% work with families in the Troubled Families programme;
- 62.6% work with children living with substance abuse.

In 2013 there were 3,600 children’s centres in England, enabling over 2.7 million children under five and their families to access a range of integrated services. As of 30 June 2015 there were 2,677 main Children’s Centres and a further 705 additional sites open to families and children providing Children’s Centre services as part of a network.98

The Citizens Advice Bureau cautions that a blanket application of the removal of housing benefit could have negative effects on young people’s security and long-term prospects. This is especially the case for those leaving care, at risk of abuse, with children of their own, or estranged from their families, and the one in five young people with a problem relating to Housing Benefit or homelessness who also have a disability or long-term health condition. Citizens Advice Bureau (2015) Citizens Impact Assessment: Restriction access to housing benefit for young people. London: Citizens Advice Bureau, 2.

The House of Commons Children, School and Families Select Committee recognised that the Sure Start programme ‘is one of the most innovative and ambitious Government initiatives of the past two decades’. The Committee endorsed Sure Start’s approach to ensuring that children’s centres serve all communities, recognising that ‘this was the right policy to pursue’ and that ‘only universal coverage can ensure that all the most disadvantaged children, wherever they live, can benefit from the programme’. House of Commons Children, Schools and Families Committee (2010) Sure Start children’s centres: fifth report of session 2009-2010. London: House of Commons.

In March 2015, the All Party Parliamentary Group on Sure Start Children’s Centres published a pre-election report. It made five recommendations regarding children’s centres for whichever Government took office after the election, including that the Government should ‘position Children’s Centres at the heart of local service provision’.99
Analysis by 4Children of the Department for Education’s data has found that ‘when compared to the level of spending in 2011/12, there has been an overall cut in spending on children’s centres and early years services of 20% over the three years from 2012/13 to 2014/15’.100 Cuts to services have resulted in tangible impacts, as 64% of centre managers had their budgets cut in 2015.101 Additionally, 57.5% of managers who have experienced a budget reduction say they will have to cut back services for children and families, and 32% say they will be unable to reach as many families as before. Consequently, 34% will be unable to retain staff, 28% will reduce the number of locations they deliver services to, and 20% will reduce their opening hours.102

These detrimental changes have come at a time when service use has increased with each year. In 2013, a record number of over one million families benefitted from the support of children’s centres, while in 2014 they supported two-thirds of the half million most vulnerable families.103 In 2015, the number of users rose again and over one million children and families frequently used Children’s Centres.104 These cuts were made to Children’s Centres despite the fact that a survey conducted found that 79% of parents who use the Centres said that if they were unable to use their local Children’s Centre this would make life harder for them and their family.105 This is also a concern when one considers the increasing number of children referred for out-of-home or foster care, which CAFCASS (Children and Family Court Advisory and Support Service) reports has increased by 14% from 11,159 care applications in 2014/15, to 12,776 applications in 2015/16.106

**Vulnerable children**

**Asylum seeking children and young people**

Asylum seeker children enter the UK to seek protection from persecution, war and violence in other countries. Some are granted refugee status and can continue to live in the UK, while others have their claims for asylum denied and are expected to make arrangements to leave the UK.

A proportion of these children arrive alone in the UK unaccompanied by their parents or other family members, and may also have become victims of human trafficking and exploitation. In 2015, 3,043 applications were made by unaccompanied children seeking asylum in the UK, a 56% increase on the previous year. The majority of these claims were made by children fleeing from Eritrea, Afghanistan, Albania and Iran.107

According to The Children’s Society, many asylum seeking children and young people have suffered physical, sexual and psychological abuse, witnessed violence, and the deaths of family members. Many have experienced conflict first-hand, and, like trafficked children, separated children therefore often have additional needs for their recovery and rehabilitation.108

The Children’s Society estimates that 19% to 54% of separated children suffer from symptoms of post-traumatic stress disorder compared to 0.4%-10% of other children in the UK based on the displacement and loss they have suffered.109 Research has also demonstrated that asylum seekers and refugees are among the highest categories for suicide in the UK110 and asylum seeking children and young people exhibit high rates of self-harm.111

Eurostat states that 88,300 children claimed asylum in Europe in 2015 (about one fifth of the total number of child refugees), but at least 10,000 unaccompanied children have dropped off Europol’s radar, thought to have fallen into the hands of organised trafficking syndicates.

The Guardian (30 January 2016) 10,000 refugee children are missing says Europol
Despite the UK’s international obligations to ensure that no child is deprived of access to health, in practice, ‘separated children face significant barriers to accessing these services; despite having age-specific health needs as children as well as needs related to their experience of persecution and forced migration’. The barriers are predominantly ‘generated by confusion around their entitlements as well as discrimination when accessing services’. The legislation concerning provision of healthcare for asylum seekers and refused asylum seekers in England falls under the Department of Health. Health matters are devolved in Scotland, Wales and Northern Ireland, however the rules are similar to those in England.

Asylum seeker children are at a particular disadvantage and may become destitute without access to accommodation or institutional support, further exacerbated by the fact that their parents are not allowed to work. The Children’s Society states that in these cases, ‘some local authorities are only prepared to provide support to children who are destitute, not their parents. Therefore parents seeking support from local authorities are often turned away or threatened that their children will be taken into care’.

The parliamentary Joint Committee on Human Rights found in its 2007 report on the treatment of asylum seekers, that the Government has been practising a deliberate policy of destitution aimed to encourage this highly vulnerable group to return to their country of origin. The Committee condemned the deliberate use of inhuman treatment, and identified instances where the Government’s treatment of asylum seekers and refused asylum seekers falls below the requirements of the common law of humanity and of international human rights law.

Eight years later, evidence presented to the Committee for the year 2014/15 cited the enduring detrimental impact of funding cuts to local services including ‘cuts to virtually all specialist teams for migrant children in local authorities across the country’. The Children’s Society has also expressed concern about the levels of support available to asylum seekers and their families, stating that they are ‘shockingly low, forcing around 10,000 children to live far below the poverty level…many families could not even afford the basics, including clothing and powdered milk or nappies for their babies’.

There is a lack of current and consistent data on children with disability and poverty. According to the Children’s Society, in 2011, 4 out of every 10 disabled children in England lived in poverty, this equates to 320,000 disabled children and that of those, 110,000 are experiencing severe poverty.

Children with disabilities

According to the Children’s Rights Alliance for England, ‘around 7% (0.9 million) of children under 16 in the UK are disabled — meaning they have a long-standing illness, disability or impairment which causes substantial difficulty with day-to-day activities.

Since 2013, the number of disabled people living in poverty has risen, ‘widening the gap in poverty rates between families with and without a disabled member’. For example, ‘in the year 2013/14, 27% of people in families where someone is disabled were in poverty, compared with 19% of those in families where no one is disabled [after housing costs]. After housing costs, the number of people in a family where someone is disabled totalled 5.1 million.

In its submission to the Parliament’s Joint Committee on Human Rights, the Equality and Human Rights Commission ‘found that the impacts of tax and welfare reforms have been more negative for families containing at least one disabled person, particularly a disabled child, and that these negative impacts are particularly strong for low income families’.

There are two major reasons why children with disabilities are more likely to live in poverty: families affected by disability are less likely to be working, and may work fewer hours; and working members of families affected by disability are more likely to earn less than those unaffected by disability. The Children’s Society suggests that this is because these parents
have less time to commit to full time work, and less time to invest in training and further skills development to be promoted to more skilled and higher-paid work.\textsuperscript{125}

**Children and young people with mental health conditions**

The Independent Mental Health Taskforce to the NHS reported in its Five Year Forward View for Mental Health\textsuperscript{126} that:

- Half of all mental health problems have been established by the age of 14, rising to 75\% by age 24;
- One in ten children aged 5-16 years old has a diagnosable problem such as a conduct disorder (6\%), anxiety disorder (3\%), attention deficit hyperactivity disorder (ADHD) (2\%) or depression (2\%);
- Children from low income families are at highest risk, three times that of those from highest income families;
- Those with conduct disorder (persistent, disobedient, disruptive and aggressive behaviour) are twice as likely to leave school without any qualifications, three times more likely to become a teenage parent, four times more likely to become dependent on drugs, and 20 times more likely to end up in prison.

Access to mental health support and treatment remains a critical problem for children and young people, who in the year 2015/16 had to wait 32 weeks on average for routine appointments for psychological therapy.\textsuperscript{127} This includes particularly vulnerable children such as those who are in foster care, adopted, or leaving care, those who care for other family members, victims of abuse or exploitation, those with disabilities or long term conditions, and those within the justice system. These vulnerable groups face specific challenges within an underfunded and highly demanded system. For example, an April 2016 Inquiry by the UK Parliament Education Committee reported that ‘child and adolescent mental health services are turning away young people in care because they have not met diagnostic thresholds for treatment or because the children are without a stable placement’.\textsuperscript{128}

A Care Quality Commission inquiry found that while adults accessed prompt mental health services where available in A&E departments and received clear pathways through to community services, young people aged under 16 were referred directly to children and young people’s services but seen only when they were open during office hours, resulting in some children having to wait a full weekend before receiving care.\textsuperscript{129}

The Welsh Government has protected child and adolescent mental health funding through ring-fencing, however the Welsh Children’s Commissioner states that statistical data demonstrates that under-funding is still a significant issue within CAMHS (Child and adolescent mental health services).\textsuperscript{130} The Commissioner remains concerned at the lack of progress within key areas of CAMHS including: the availability of early intervention services; access to community specialist CAMHS including psychological therapies; assessment of protocols and the availability of Autistic Spectrum Disorder treatment and support; provision within youth justice settings; and the level of resources allocated to CAMHS.\textsuperscript{131}

Perinatal mental health is also a crucial factor in a child’s emotional, social and cognitive development. One in five mothers suffers from depression, anxiety or in some cases psychosis during pregnancy or in the first year after childbirth.\textsuperscript{132} Pregnant women are not receiving adequate mental health support, and suicide is the second leading cause of maternal death, after cardiovascular disease.\textsuperscript{133} The costs of failing to treat perinatal mental ill health are estimated at £8.1 billion for each annual birth cohort, or almost £10,000 per birth, however the Mental Health Taskforce found that fewer than 15\% of localities provide effective specialist community perinatal services for women with severe or complex conditions, and more than 40\% provide no service at all.\textsuperscript{134}
The government has committed to address the funding deficiency in children and young people’s mental health care. £280 million is invested each year in children and young people’s mental health and perinatal care, and the government announced a £1.25 billion funding package in its March 2015 budget, including:

- £1 billion to be provided over the next five years to start new access standards for children and adolescent services;
- £118 million by 2018/19 to complete roll-out of the Children and Young People’s Increasing Access to Psychological Therapies programme;
- £75 million over the next five years to provide perinatal and antenatal mental health support for women; and
- the Department of Education to provide an additional £1.5 million to pilot joint training for designated leads in CAMHS and schools to improve access to mental health services for children and young people, including the most vulnerable.

In August 2015, the government announced that £75 million will also be allocated to support CCGs to work with local partners to develop local transformation plans, which will overhaul mental health services for children and young people in their areas.

In January 2016, the Prime Minister announced investment of £290 million to help new and expectant mothers who have poor mental health, and investment in new services for teenagers with eating disorders.

The NHS Mental Health Taskforce called for an additional £1 billion by 2020/21 to implement change in key priority areas, which has since been pledged in response to the Taskforce report.

**Conclusion and actions**

Children, young people and families should not pay the price for the economic downturn. Every child in the UK deserves a start in life that will help them achieve their true potential, however austerity policies and welfare reforms serve to erode measures aimed at tackling child poverty and inequalities.

As acknowledged in the BMA report *Growing Up in the UK*, there will never be enough money to address all the needs of society, therefore it is essential to focus resources where they are most effective and for those most in need.

Building on recommendations from the *Growing Up in the UK* report and our current research, we set out the following overarching principles on the medical and social care of children:

- **Ring-fence funding for programmes and benefits designed to assist children, young people and families:** Funding for health and welfare for children – including for health (primary, secondary and community), education and social care – should be consolidated in one fund, to enable the joined-up planning and delivery of care, and prevent detrimental effects that can last for generations and may cost governments more in the long term;
- **Put an end to child health inequalities:** Support measures to tackle poverty, reduce inequalities and prevent adversity before birth and continuing throughout the life-course of the child to adolescence;
- **Fund early intervention programmes for all children:** Finance, develop, evaluate and implement preventative early interventions to reduce the short-term and lifelong impact of early life adversities;
- **Act early to safeguard vulnerable children:** Meet the needs of children at risk – including children with disabilities, children with mental health conditions, and refugee and asylum seeker children - through early intervention and multi-disciplinary working between social services, education authorities, healthcare teams and others;
– **Address the gap in UK child health data:** Conduct continuing research into the state of child health across the UK to ensure that government, and health and social care providers have suitable information to monitor the health of our children on an ongoing basis;

– **Use evidence to inform policies and services:** Ensure that all policies are evidence-based and informed by robust data, to improve the ‘match’ between children’s healthcare needs and the services provided to meet those needs;

– **Take responsibility for children:** Establish accountability at ministerial level for children’s health and wellbeing that includes a framework for monitoring, reviewing and remedying processes in alignment with UK commitments to the Convention on the Rights of the Child;

– **Recognise the importance of the family unit:** Provide children’s services that are family-centered and focused on the importance of parenting, where the child and family are embraced as a unit;

– **Support healthcare professionals:** Provide culturally and age-sensitive training programmes for healthcare teams to address the unique needs of vulnerable groups of children and young people including child refugees and asylum seekers, children with disabilities, and children with mental health conditions;

– **Involve children in decision making and service design:** Meaningfully involve children, young people and families in design and delivery of services in order to make them more accessible and effective.
References


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7. Ibid.


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