



# ***The family report card 2012***

*Must try harder*

*D+*

# The **Family Report Card 2012** assesses whether the UK is becoming a family friendly nation.

*This year we are awarding a **D+***

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The challenging economic outlook continues to dominate this year's report card, holding back the UK's progress towards becoming a more family friendly society and resulting in no improvement on last year's grade. Families are facing a triple squeeze of cuts to benefit and tax credits, high childcare costs and high costs of living. As austerity measures are carried through, families will serve as the shock absorbers of society. Short-term pressures on household budgets could undermine family resilience over the long-term.

Despite increased pressure on Government budgets, it is encouraging to see that investment is being made in parenting classes, relationship support and childcare for disadvantaged two-year-olds. And, in the wake of the 2011 riots, the establishment of the Troubled Families Unit points towards a commitment to tackling problems in families with the most complex needs.

However, for a greater number of families to benefit it will be necessary to take these initiatives to scale and build on an established statutory and voluntary infrastructure. In reality, far-reaching cuts to local authority budgets will have a mounting impact on family life across the country.

Whilst we welcome plans to introduce a flexible system of parental leave, streamline adoption processes and make work pay with the introduction of Universal Credit, we recognise that each of these face significant challenges in implementation.

We look to the Government to review the impact of all its policies on families. The Family and Parenting Institute believes that a Family Test, as first proposed by David Cameron, could provide the mechanism for evaluating the impact of future policies and we are calling on the Government to introduce it.

Sources for the Family Report Card 2012 are available online at [www.familyandparenting.org/reportcard2012](http://www.familyandparenting.org/reportcard2012)



# 1. A fairer society for families

## Family friendly verdict:

**We say - The economic situation continues to make life intensely difficult for millions of UK families. This is compounded by further changes to tax and benefits. Furthermore, if families feel worse off, this translates into low consumer confidence, which in turn impacts upon the economy through reduced spending. We urge the Government to continue to act to reduce poverty rates and to ensure that Universal Credit protects the incomes of those families managing on the lowest budgets.**

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Since last year's Family Report Card, the UK economy moved back into recession and shrank by 0.2 per cent in the first three months of 2012. Although the UK inflation rate dropped (4.5 per cent in April 2011; 3.0 per cent in April 2012), consumer confidence continues to remain low (with an overall consumer confidence index score of '-21' in May 2011 and '-29' in May 2012) and the Eurozone crisis continues to impact on the UK economy. This is exerting pressure on household budgets. According to a Resolution Foundation poll conducted this year, nearly a third (32 per cent) of adults in the very poorest households are struggling to afford essentials such as food and energy bills, compared to 18 per cent of those on low to middle incomes.

In contrast to these trends, unemployment fell in the first months of 2012 and the number of part-time workers between January and March was almost 8 million (up 118,000 from the previous three months). However, of the 45,000 drop in unemployment, 42,000 were men and just 3,000 were women while the overall average pay for those in work rose by 0.6 per cent from a year earlier, the lowest growth for three years.

The Institute for Fiscal Studies' (IFS) analysis released this year confirmed that families will be hard hit by welfare reform, with the median household with children facing an average drop in income of 4.2 per cent by 2015-16, equivalent to an annual income drop of £1,250 for a couple with two children. In particular, the past year has seen major tax credits and benefits changes previously announced by the Government come into effect. Child Benefit rates have remained frozen, and couples with children are now required to work at least 24 hours a week rather than 16 to be eligible for the Working Tax Credit.

Looking ahead, from January 2013 Child Benefit will be withdrawn from households where someone has an income over £50,000 a year (a shift from the Government's previous plan of £43,000). A benefit cap will come into effect in April 2013 which will limit the amount of benefit couples and lone parent households can receive to £26,000 a year. Income tax breaks for the over-65s will be scrapped from April 2013.

However, Universal Credit - which the IFS analysis indicated will have a protective effect on the finances of many low-income families - is set to be introduced from October 2013. The Government also set out plans to help the most vulnerable children and families in its Social Justice strategy, while plans to tackle educational disadvantage have been progressed with the introduction of the Pupil Premium.

## 1.1 The cost of raising a child

### The cost of raising a child continues to increase

A report by Liverpool Victoria (LV=) showed that the average cost of raising a child from birth to the age of 21 increased from £210,848 in 2010 to £218,024 in 2011. This 3.3 per cent increase between 2010 and 2011 is lower than the official inflation rate. The cost of education, including school uniforms and university tuition fees (but excluding private schools fees) has increased by 5.1 per cent over the last year.

### Childcare costs have increased at a higher rate than wages

The Daycare Trust reported that the cost of a nursery place for a child aged two or over in England this year has increased by 3.9 per cent since last year, more than the growth rate of 0.3 per cent for the average wage in the same period. The Daycare Trust also highlighted HMRC figures showing 44,000 fewer families received help with childcare costs since April 2011 because of the reduction of the childcare element of the Working Tax Credit.

## 1.2 Child and pensioner poverty

### The numbers of children and pensioners living in poverty in the UK have fallen

The latest poverty figures available show that the number of children living in poverty in the UK was 2.3 million (18 per cent) in 2010-11, a decrease from 2.6 million (20 per cent) in 2009-10. The number of UK pensioners living in poverty has fallen from 1.8 million (16 per cent) in 2009-10 to 1.7 million (14 per cent) in 2010-11. However, there is a time lag with these poverty figures, and looking ahead forecasts made by IFS show that the net direct effect of tax and benefit changes will be to increase relative poverty.

Relative child poverty is forecast to be 2.6 million (19.6 per cent) in 2012-13, 2.8 million (21.6 per cent) in 2013-14. IFS analysis, commissioned by the Family and Parenting Institute, also showed that between 2010-11 and 2015-16 poverty rates increased particularly among families with three or more children, in families with younger children and for those living in private rented accommodation.

## 1.3 Our most vulnerable children

### Educational attainment of looked after children continues to improve

There were 65,520 children in the English care system at 31 March 2011, an increase of 2 per cent from 2010 (64,400 children) and 7 per cent since 2009 (60,900 children). In 2011, 31.5 per cent of children looked after continuously for six months in England (these were also the pupils who would be eligible for the new pupil premium payment) achieved five or more GCSEs or equivalent at grades A\* to C, compared with 26.7 per cent in 2010. However, 78.1 per cent of all children in England achieved five or more GCSEs or equivalent at grades A\* to C in 2011, 74.6 per cent in 2010.



## 2. Family friendly business and working life

### Family friendly verdict:

**We say – There have been demonstrable efforts over the last year from both the Government and industry in terms of protecting children from commercial and sexualised messaging, as well as taking steps to help parents ensure their children are safe online. While these communicate promising signals, if the necessary changes in commercial practices are not delivered then a tougher approach will be needed. There are worrying indications that labour market instability could be translating into less family friendly working hours – with nearly half of all adults reporting a relatively low satisfaction with their work-life balance. This means that action to introduce a more flexible system of parental leave is all the more necessary. We urge the Government to deliver on promises to legislate as outlined in the Queen's Speech.**

In the Queen's Speech in May 2012 the Government confirmed that new measures would be contained in a Children and Families Bill to help parents balance work and family commitments, along with plans to extend the right to request flexible working to all employees.

Some progress has been made by industry in response to the Bailey Review on the commercialisation and sexualisation of childhood. In October 2011 media regulators launched ParentPort ([www.parentport.org.uk](http://www.parentport.org.uk)), to help parents report inappropriate programmes and products and the Advertising Standards Authority issued a warning statement in October 2011 on the use of sexual images in on-street advertising. The Government also set out new measures to protect children in May 2012 including bringing forward legislation on a new system of age classification for video games.

### 2.1 Maternity and paternity leave

#### The number of men taking statutory paternity leave has slightly increased

According to the information disclosed to the law firm Pinsent Masons by HM Revenue and Customs (HMRC), the number of employees claiming paternity pay rose from 170,000 in 2008-09 to 194,000 in the year to March 2010, an increase of 14 per cent. Three times as many women received statutory maternity pay in the same period of time.

### 2.2 Work-life balance

#### Percentages of UK population working antisocial hours have marginally increased

In 2011, 11.3 per cent of the UK population in employment worked at night (an increase from 11.1 per cent in 2010, 10.8 per cent in 2009); 26.4 per cent worked in the evening (an increase from 25.3 per cent in 2010, 24.8 per cent in 2009). Almost one in two (48.4 per cent) of adults aged 16 and over in Great Britain reported a relatively low satisfaction with their work-life balance in 2011.

### 2.3 The commercialisation of childhood

#### There is a high level of concern in deprived neighbourhoods about commercialisation

There are no robust longitudinal measures which track trends in the commercialisation or sexualisation of childhood. However, the Riots Communities and Victims Panel's Neighbourhood Survey conducted with residents in six deprived neighbourhoods after the August 2011 riots found that 85 per cent of people feel advertising puts pressure on young people to own the latest products and 70 per cent think that steps need to be taken to reduce the amount of advertising aimed at young people.





# 3. Essential service provision for families and children

## Family friendly verdict:

**We say – Families rely on local services more than ever in difficult times. But cuts to council budgets mean that many of the essential services that families rely on are being scaled back – or have disappeared completely. It is, however, encouraging that in an era of austerity investment is being made in supporting relationships, families with complex needs, parents with young children and disadvantaged children. Importantly, we also urge the Government to turn rhetoric into action by reforming and investing in the social care system.**



This year, many of the policy developments highlighted in the 2011 Report Card have either been formally launched or further developed. Free nursery places for two-year-olds from disadvantaged backgrounds will be rolled out in 2013 but those in 10 pilot areas will get a free place from this September. The Government has also announced greater flexibility in the provision of free childcare, enabling parents to spread the hours over two days rather than three.

For expectant parents and those with young children, three new initiatives have been introduced including a digital information service for parents, trials of parenting classes in three local areas, and a trial which will provide subsidised relationship support sessions aimed at first time parents.

However, these initiatives come against a backdrop of benefit and tax credit cuts, high childcare costs and high costs of living. The overall impact of these factors is likely to mean that families are more reliant on local services – just at a time when local budgets are being cut. Analysis by the Joseph Rowntree Foundation highlighted that deprived local authorities have been harder hit by spending cuts than affluent ones. This has worrying implications for equality of access to services, particularly amongst vulnerable families.

Curriculum reform and the development of academies continue to dominate the education agenda. There is additional funding of up to £10 million in pilot projects to provide support for pupil premium children who leave primary school without Level 4 literacy. There will also be an extra £600 million to fund 100 additional Free Schools by the end of this Parliament.

As part of the Government's early intervention projects, £448 million will be made available to the Troubled Families Unit to intervene in the lives of 120,000 families by 2015, along with £200 million from the European Social Fund to help troubled families overcome barriers to employment. Local authorities will be given up to £4,000 per successful intervention on a Payment by Results basis.

The forthcoming Children and Families Bill will put legislation in place to improve provision for children with special educational needs and disabilities. Meanwhile, the Action Plan for Adoption sets out plans to tackle delay in the adoption system, accelerating the process for prospective adopters. The 2012 Queen's Speech announced a draft Bill to modernise adult care and support in England. The Government is also due to formally respond to the Dilnot report which reviewed the funding of care and support in England.

### 3.1 Early Years

**The percentage of early years providers rated as good or outstanding has increased but a gap remains between the quality of provision in the most and least deprived areas**

OFSTED's inspection report of the early years and childcare sector shows that 74 per cent of early years registered providers inspected were rated as good or outstanding in 2010-11, an increase from 68 per cent in 2009-10. However, the quality of childcare is still poorer in the most deprived areas than in the least deprived ones.

For example, 76 per cent of childminders in 2010-11 were judged good or outstanding in the least deprived areas compared to 60 per cent in the most deprived areas.

### There are fewer Sure Start children's centres

There were 3,631 Sure Start centres in April 2010, and only 3,507 by September 2011. The net reduction of 124 children's centres includes a small number of closures with the majority accounted for by local reorganisation and mergers. A survey by the Pre-school Learning Alliance found that 87 per cent of childcare settings believed the costs they will face in providing free places for two-year-old children will not be covered when the scheme is rolled out next year.

### 3.2 Education

**There remains a big gap in educational attainment between pupils eligible for free school meals and their peers**

In 2011, 58 per cent of 11 year-old pupils known to be eligible for free school meals achieved Level 4 or above in both English and Maths compared with 78 per cent of all other pupils. The gap in attainment between these two groups was 20 per cent in 2011 compared with 21 per cent in 2010 and 22 per cent in 2009.

### 3.3 Care for Older People

**Funding for older people's care is struggling to keep pace with an ageing population**

The number of people aged 60 and over is projected to increase from just over 14 million in 2010 to 15.3 million by 2013 and 18.6 million by 2026. Age UK's analysis shows that local authorities have reduced their spending on older people's social care by £671 million in real terms between 2010-11 and 2011-12, a decrease of over 8 per cent.

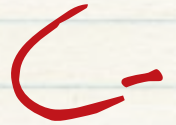
Furthermore, councils' total spending on older people's social care was only £7.3 billion in 2011-12, a shortfall of £500 million to maintain the funding level the same as in 2010 before current spending cuts. Age UK projects that by 2012-2013 the Government would need to spend £1 billion more than this year to prevent the care system for older people from deteriorating.



# 4. Family friendly infrastructure and living environment

## Family friendly verdict:

**We say – While we are pleased to see that more affordable housing is planned, poor housing conditions and issues of affordability in the private renting sector are of increasing concern. If benefit cutbacks make housing unaffordable for some families, they may have to move to new areas to find cheaper housing and could struggle to manage without the infrastructure and networks of support which underpin family life.**



Building on changes announced in the Spending Review 2010, the Government's Autumn Statement 2011 and Budget 2012 laid out specific programmes of reform in housing, transport and communities. The Housing Strategy for England was published in November 2011. Under the new Affordable Homes Programme, 170,000 affordable homes are expected to be provided by 2015, which is more than the 150,000 originally estimated. From April 2013, the Local Housing Allowance will be in line with the Consumer Price Index rather than with local rental rates which may mean that some households could struggle to afford to continue renting their homes.

The Government's Autumn Statement 2011 limited the increase in regulated rail fares to 1 per cent above inflation from 2012 (rather than the previous plan of 3 per cent). As a result, rail fares were capped at 6 per cent, rather than the expected 8 per cent. However, beyond 2012 it has been revealed that the Government intends to revert to its intended rail fares cap of 3 per cent above inflation for 2013 and 2014.

The Localism Act came into force in April 2012, and gave communities a right to build, including building family homes to sell, or sheltered housing for older local residents. Meanwhile, the Green Infrastructure Partnership announced by the Government in 2011 aims to give residents in cities and towns more access to a network of green spaces, and help communities make better use of existing infrastructure.

### 4.1 Housing

#### The number of affordable new homes for the social rented sector in England has increased

The number of affordable homes in England has increased by 5 per cent from 58,010 (revised figure) in 2009-10 to 60,630 in 2010-11 – the highest number since 1995-96. In total, 33,120 affordable new homes were supplied to the social-rented sector in 2009-10. This is an increase of 18 per cent (6,050 homes) from 2009-10, compared to an increase of 7 per cent (2,150 homes) between 2009-10 and 2008-09.

#### The long term upward trend of overcrowding in both social and private rented sectors continues

The overall rate of overcrowding in England in 2010-11 was 3 per cent, with an estimated 655,000 households living in overcrowded conditions. This is an increase of 0.1 per cent from 2009-10 (630,000 households). The long term upward trend in the proportion of households experiencing overcrowding in both social and private rented sectors appeared to continue (7.3 per cent in 2010-2011 compared to 5.1 per cent in 1995-1996 for social renters. 5.6 per cent in 2010-2011 compared to 3.2 per cent in 1995-1996 for private renters).

#### Housing conditions in private rented sector are worse than in other housing tenures. Average private weekly rents continue to rise

There are now more than one million families with children renting privately, an increase of 86 per cent in the last five years. The latest figures show that in 2010, 37 per cent of private rented housing is rated as 'non-decent' compared to 25 per cent of owner-occupied and 20 per cent of social-rented housing. The average weekly private rent in England is £160 in 2010-11, an increase from £156 in 2009-10. This increase of 2.5 per cent is lower than UK inflation rate of 4.5 per cent over the same period.

### 4.2 Public transport

#### Funding for local bus services faces more cuts

Overall, bus fares in England were at the same level in real terms in March 2011 as in March 2010, compared with an increase by 0.2 per cent between March 2009 and March 2010. Net public funding support for local bus services in England decreased by 7.3 per cent in real terms between 2009-10 and 2010-11.

#### British rail fares continue to rise

The average change in rail fares between January 2010 and January 2011 was 6 per cent (compared with 0.7 per cent in 2009-10 and 7.6 per cent in 2008-9). From January 2012, rail season ticket prices increased by an average of 6 per cent while some rail commuters faced higher than average rises of up to 11 per cent compared with January 2011.

### 4.3 Neighbourhoods

#### Crimes against households have decreased

The Crime Survey for England and Wales showed a statistically significant decrease of 5 per cent in crimes against households (i.e. vandalism, vehicle-related theft, bicycle theft, other household theft, and household acquisitive crime) in the 2011 survey compared to 2010.

#### High proportion of residents in deprived neighbourhoods did not think neighbours treated each other with respect

The Riots Communities and Victims Panel's Neighbourhood Survey conducted after the August 2011 riots found that 61 per cent of residents did not agree that their community was a close, tight-knit one or that neighbours treated each other with respect.

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