

**NO INVESTMENT
NO FUTURE**

SIGOMA



**Young People
are Paying the
Price for Austerity**

Lewis Wood
June 2019
SIGOMA

Executive Summary

Underinvestment in young people is stifling social mobility

Every young person, whatever their background, deserves the opportunity to go as far as their talents and hard work will take them. But, for children from deprived areas, the odds are stacked against them from the start.

Nationally, 1 in 5 children grow up in poverty. In SIGOMA areas this rises to 1 in 4 as decades of post-industrial decline and systemic underinvestment by the Government has eroded opportunities for young people and decimated the council services designed to help them succeed in life.^[1]



Poverty places unavoidable, sometimes insurmountable obstacles in young people's paths to success, prosperity and becoming productive members of society. It's our job as a society to give them the best chance we can to overcome those obstacles.

Some come from households that can't afford a computer. Some go to school too hungry to concentrate. Some have challenging family backgrounds where cramped housing conditions or chaotic lives make it impossible to study at home.

These are the young people that most need libraries to study, youth centres to keep them out of trouble, properly funded schools so teachers can give them the support they need, and public health and early years services to help their parents overcome adversity and do the best they can for them.

These are the young people that we need to inspire most with rich culture and heritage, motivate through sports and recreation and give space to breathe, keep healthy and dream big in our parks and open spaces.

Government austerity has placed the greatest burdens on the poorest places, forcing councils serving the most deprived areas to make the deepest cuts.^[2] This is setting back social mobility, quality of life and the strength of our economy, putting unnecessary pressures on services like the police and NHS.

Investing in young people's education, health and wellbeing by properly funding council services, which provide support at every stage of their development, will reduce these burdens. It will also reduce residents' dependence on these services in the future.

The responsibility to do right by future generations and give everyone a fair chance in life is something on which everyone, no matter your politics or position in society, can agree.

It's time to invest to improve efficiency, promote fairness and stimulate national growth. It's time to invest in social mobility. It's time to invest in young people's futures.

Sir Stephen Houghton CBE, SIGOMA Chairman

A handwritten signature in black ink that reads "Stephen Houghton". The signature is written in a cursive, flowing style.

We are SIGOMA

The Special Interest Group of Municipal Authorities

SIGOMA councils are more deprived than the English average. This means we have higher than average unemployment, more children on free school meals, and lower than average attainment. Our councils have always faced greater challenges than most to break entrenched cycles of poverty, but a decade of unbalanced austerity, targeted at the poorest has made things much worse.

89%

Of SIGOMA councils are more deprived than the English Average [3]

25%

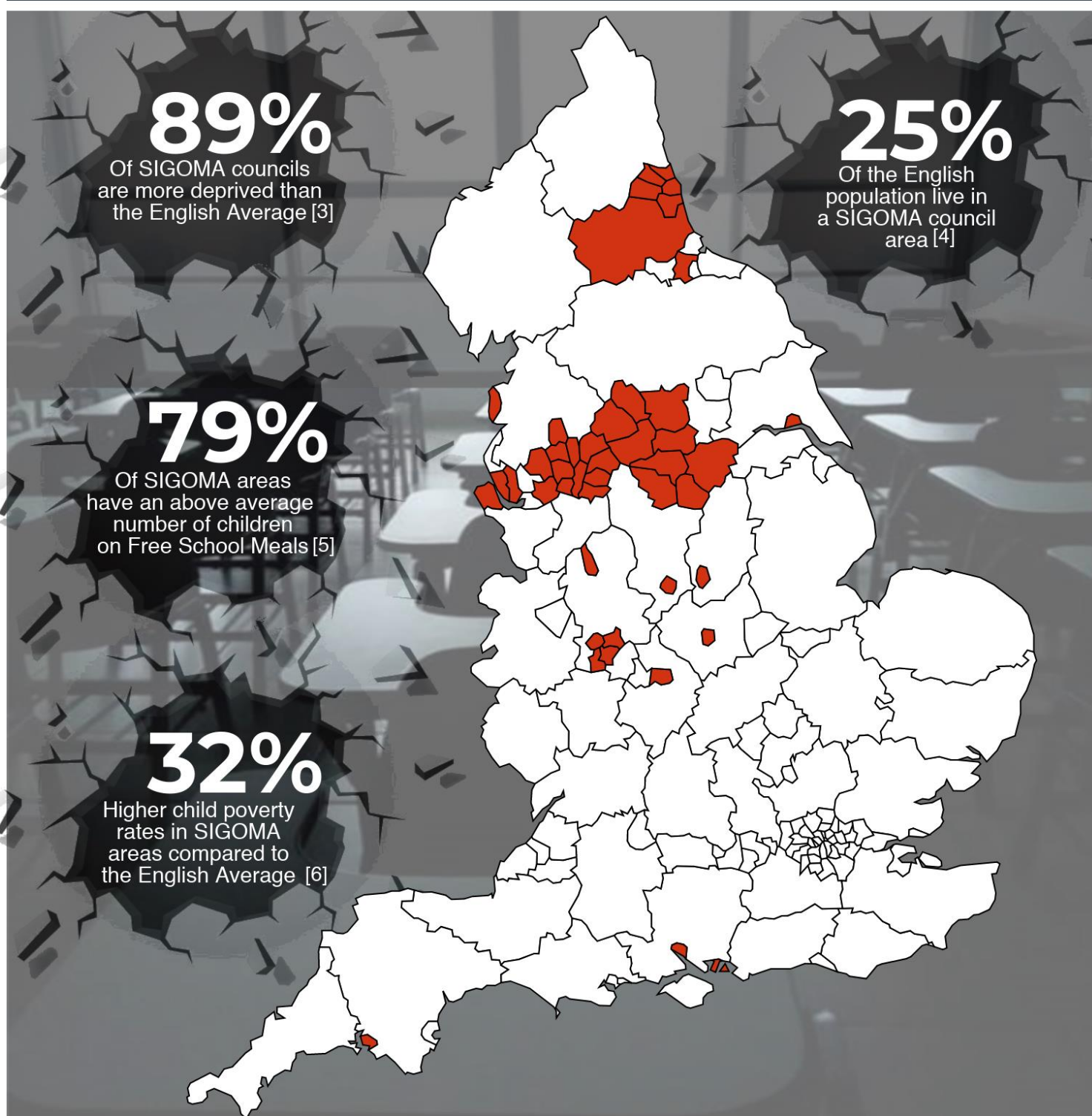
Of the English population live in a SIGOMA council area [4]

79%

Of SIGOMA areas have an above average number of children on Free School Meals [5]

32%

Higher child poverty rates in SIGOMA areas compared to the English Average [6]



Shortsighted Austerity

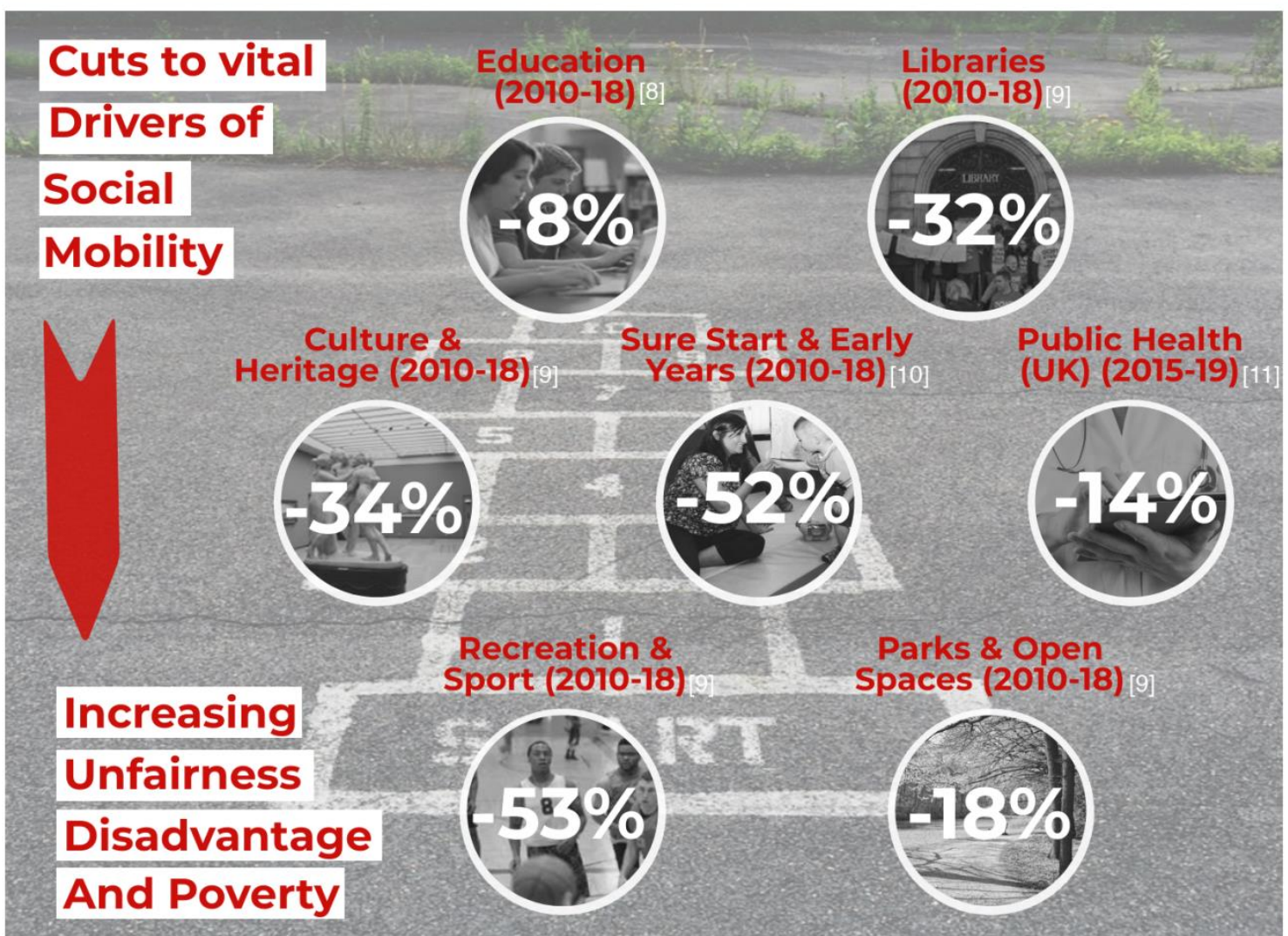
Cuts to council services affect children's life chances

Council services can have a big impact on the life chances of young people, especially the most disadvantaged in our society. Councils are responsible for maintained schools, social care for vulnerable children, public health, culture and heritage, youth centres, libraries, recreation facilities, and public parks.

In dealing with a decade of centrally driven austerity, in which 60p in every pound has been cut by central government,^[7] councils have sought to protect their most vulnerable residents, but they have also been forced to make tough decisions.

This means young people are losing quiet places to study, safe spaces to socialise, vital public health services to help them address mental and physical health issues, and open areas to keep healthy and escape daily pressures.

The cuts may save taxpayers money in the short term, but their influence is already becoming apparent in much more costly long term trends, as headlines remind us day after day of a growing mental health crisis, declining healthy life expectancy, in work poverty, stagnating productivity and a knife crime epidemic.



Avoidable Consequences

Removing opportunities stores up significant long term costs

Breaking News

"England has seen **significant** widening in life expectancy between rich and poor people" British Medical Journal, 2019 [12]

Child Protection Assessments (Eng) [13]

+126%
Since 2010

Healthy life expectancy (Eng) [16]

18 Years shorter
for most deprived
10% compared to the least

Youth Centre closures (UK) [14]

763
Since 2010

Knife Crime (Eng) [17]

+54%
Since 2014
CRIME

Library Closures (GB) [15]

Over **700**
Since 2010

Mental Health Issues (Eng) [18]

2x More Likely
for children from low income households*

Telling Testimony

"We're not being supported in what we actually want to do and sometimes that's the reason why teenagers aren't sure of their future."
Tyrone Kanodereka, 18

"People I used to hang around with... were the kind of people who carry knives... If they'd found another outlet for... feeling like they were important, like they had something to do to make money, then they wouldn't have gone towards that."
Joseph Brennan, 18 [19]

"Areas suffering the **largest cuts** to spending on young people have seen bigger increases in **knife crime**."
APPG on Knife Crime, 2018 [20]

Breaking News

Telling Testimony

"The fact that 90% of schools are using money that should be serving our most disadvantaged pupils and families to 'prop up' their basic core budgets provides a stark reality as to how bad things are." **Jules White, Headteacher**

"In many areas growing up in poverty is not the exception it's the rule... with serious consequences for life chances. Policymakers can no longer deny the depth of the problem or abandon entire areas to rising poverty." **Anna Feuchtwang, End Child Poverty Coalition Chair** [21/22]

Children on Free School Meals

27%

Less likely to achieve 5+ A*-C at GCSE [23]

17%

Less likely to go to University [24]

23%

Less likely to be employed at age 27 [25]

Invest to Save

Investing in councils means investing in young people

Investing in young people means investing in productivity, investing to ease future burdens on the police and NHS, investing in a better society. Councils are the primary providers of the vital preventative and supportive services that offer this investment in young people. As well as giving everyone a fairer start in life being the right thing to do, if we want a strong economy we simply can't afford not to fund services like public health, libraries, youth centres & education.

Cut the costs not the cure

In 2018, Knife Crime cost the UK over [26]

£800m

Each year, Sickness absence costs the UK [27]

£22bn

Each year, mental health issues cost the UK [28]

£35bn

By 2024, the skills shortage will cost the UK [29]

£90bn

Invest in fairness. Invest in councils. Invest in young people. Invest in our future.

Investing in education gives young people opportunities to pursue more productive careers.

Investing in youth centres gives them positive role models and a safe space to socialise.

Investing in libraries gives them a space to study, to escape chaotic home lives & entrenched poverty.

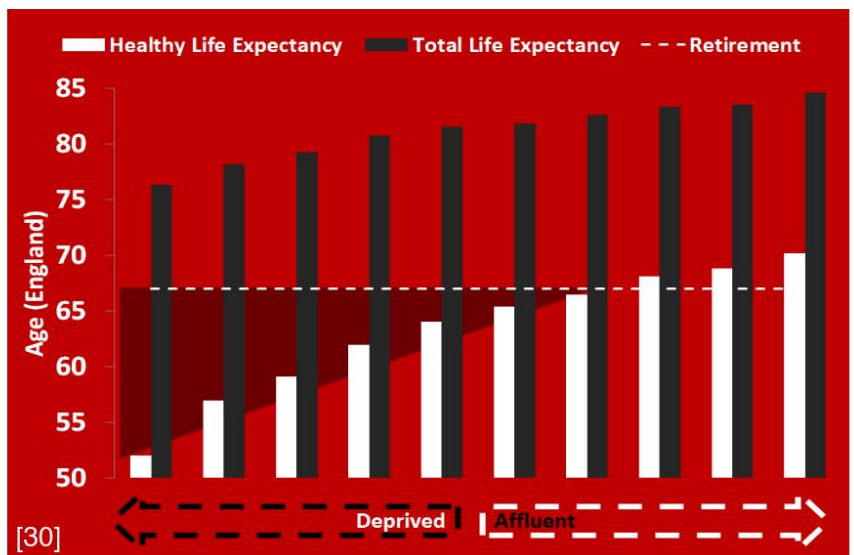
Investing in public health helps them lead healthier, wealthier, happier lives.

Investing in culture and heritage inspires young minds to become creators and innovators.

Investing in sport gives them vital life skills like team work & self discipline they'll need to succeed in life.

Investing in parks gives them space to breathe clean air, boosting their mental & physical health.

Only in the most affluent 30% of council areas does the average resident make it to retirement in good health. The vast majority of the English population face working in ill health, often for many years before they retire. The TUC estimates that 12% of workers will be forced to retire early through ill health or acquired disability. This wealth inequality translates into health inequality and a productivity gap that is also damaging the health of the economy.



Policy Proposals

Invest in young people to give everyone a fair start

The future has always held the promise that the next generation would be better off than the last. Today, that promise is being broken.

Only 30% of 18-24 year olds now think they are better off than their parents were. And just 25% believe that today everyone has a fair chance to go as far as their talent and hard work will take them.^[31]

This has to change if young people are to feel they have a fair shot at success and a legitimate stake in society. The question we have to ask ourselves is simple. What sort of society do we want to live in, one of equal opportunity or stifled potential?



Prevention better than the cure - Austerity has forced councils to prioritise statutory crisis services over non-statutory preventative ones. Government must assess and address the £8bn funding gap facing local government to ensure all councils have sufficient funding for vital preventative & support services.



Healthy people, healthy economy - Investing in public health helps people address issues like substance misuse and obesity that not only help save the NHS money but also keep people productive and help them retire healthy. Government must recognise that people are the critical drivers of economic growth.



Education, Education, Education - Doing well at school is the best route out of poverty. But chaotic or impoverished home lives can put children from deprived areas at a disadvantage from the start. Government must invest in councils to help them support schools, libraries, sports, parks and culture - vital services that help educate, inspire and break entrenched cycles of poverty.



Fair funding - Government plans would omit deprivation from the formula that decides council funding for services like libraries. If we want to build a better society, no area can be left behind. Government must recognise deprivation as a critical cost driver. Only a formula that does will improve social mobility.



Sustainable funding - Funding to local government is insufficient to ensure an equivalent quality of services nationally. Councils serving the most deprived areas are often the least able to grow council tax and business rates. Government must base funding on need, not the strength of local economies.

“Without radical reform... people face a future where they have skills mismatched for jobs, risking them being in low paid, insecure work, and reliant on benefits, at a huge cost to people’s lives and the local and national economy.”

**Cllr Sir Richard Leese, Chair
LGA City Regions Board ^[32]**



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