

Young People and Cuts

This table provides an overview of the cuts to children and families that have been made by the Coalition Government to date.

Please note that values in **bold** are headline cuts, while amounts that are in normal type are included in the headline figures.

Policy area	Cuts announced	Value of cuts and timescale for introduction
Early years	As part of the £6.2 billion of cuts announced on the 24 th of May, the Child Trust Fund is to be abolished. The Government intends to introduce legislation to scale back payments from August this year and then stop payments from 1 Jan 2011. From August 2010, payments at birth will be reduced from £250 to £50 for better off families, and £500 to £100 for lower income families; and payments at age 7 stopped. All payments will be stopped from 1 January 2011.	£320m (2010-11)
	<p>The cuts announced in the Emergency Budget, on 22nd June included the following changes:</p> <ul style="list-style-type: none"> - From April 2011 the Sure Start Maternity Grant of £500 will only be available to the first child in the family. - The health in pregnancy grant of £190 has been abolished. - The Baby Element of Tax Credits (an additional payment of £545 a year for families with a child aged under one) has been cut. - The Toddler Tax Credit has been cut (an additional £4 a week for families with children aged one or two). - Extend conditionality for lone parents 	<p>£75m (2011-12)</p> <p>£40m (2010-11)</p> <p>£295m (2011-12)</p> <p>£180m (2012-13)</p> <p>£50m (2012-13)</p>
School age children	The Department of Education also announced it would make a number of specific cuts as its contribution towards the Government's £6.2 billion target.	£670m (2010-11)
	<p>In a letter to Ed Balls from Secretary of State Michael Gove a full breakdown is provided of the £359 million central Government's cuts at the Department for Education. This list includes cuts in:</p> <ul style="list-style-type: none"> - British Educational Communications and Technology Agency (abolition) - Grants made via the Youth Sector 	10m

	<p>Development Fund which supports third sector organisations providing services to disadvantaged young people.</p> <ul style="list-style-type: none"> - Workforce Development activity - One-to-one tuition for children - Capital spending allocated to extended schools - The Teaching and Development Agency's non initial Teacher Training budgets. - National College for Leadership of Schools and Children's Services - The Children's Workforce Development Council - Children and Families team at DFE - Central procurement, IT and research budgets - Family Information Services - Buddying (a pilot scheme focussing on improving practice in early years services) and the 0-7 Partnership Scheme pilot (which is designed to ease children's transition between early years and primary school) have been cut. - Every Child a Reader (a programme to support children with literacy difficulties) - Non capital support for play - National pilots aimed at helping vulnerable young people into employment and training. - Childcare for Training and Learning for Work programme which provides up to £175 per week for low-income parents who want to access training to get back into work <p>The remainder of the £670 million from the Department for Education will be saved by reducing the area based grant to local authorities by £311m in 2010/11.</p> <p>This will particularly affect Connexion services, as it is funded directly via this grant.</p>	<p>8m</p> <p>14m</p> <p>£47m</p> <p>£25m</p> <p>£30m</p> <p>£16m</p> <p>£15m</p> <p>£4m</p> <p>£7m</p> <p>£4.5m</p> <p>£5m</p> <p>£5m</p> <p>£5m</p> <p>£2.7m</p> <p>£10m</p>
	<p>The Government has announced it is to scrap the Youth Community Action programme, which</p>	<p>£7m (2010/11)</p>

	aims to encourage all 14 to 19 year olds to take part in volunteering. ¹	
	The Government has told local authorities to freeze Playbuilder programmes . The programme is worth £235 million, and as many as 1,300 grants had been approved this year . It has been reported that this cut could amount to £65 million nationally. ²	£65m (2010/11)
	The Government has cut plans to provide children from low income families with access to free school meals .	£125m (2010-11)
	The Department for Communities has announced the Inspiring Communities pilot which provided grant funding to neighbourhood partnerships seeking to raise the aspirations and educational attainment of local young people, has been cut.	£1.39m (2010-11)
	On 5 th of July, the Department for Education reported that the Building Schools for the Future programme is to be closed, which will mean 715 schools will no longer be rebuilt or refurbished. The total cost of the schemes that will be cut is £7.5 billion .	£1bn³ (2010-11)
FE/Higher Education	As part of the £6.2 billion of cuts announced on the 24 th of May, BIS made various commitments to cut funding for Higher Education and training budgets. <ul style="list-style-type: none"> - The cut to the HE budget of £200m comprises a reduction in the Modernisation Fund of £118m (down from £250m to £132m) 	£200m (2010-11)
Employment	As part of the £6.2 billion of cuts announced on the 24 th of May, it was announced that £320million would be saved from ending elements of employment programmes; this included ending further rollout of the Future Jobs Fund.	£290m (2010-11)

¹ This cut was announced in early August 2010, and is not included in the Secretary of State's letter to Ed Balls which sets out how the DfE will achieve £670 million of in year spending cuts, which were announced in May. We have therefore assumed that this cut is in addition to the £670million of DfE in-year cuts.

² The total cost of the scheme, divided by the total number of playgrounds it was designed to create, leads to an average cost for each playground of around £67,000. Were all 1,300 approved playgrounds to cost this amount the total saved from cutting them would exceed £87 million. We are therefore confident that the £65 million reported in the local press is likely to be an accurate estimate of the cut.

³ As the total cost of the schemes to be cut is £7.5 billion until 2014-15, a conservative estimate of the cut this year is £1 billion.

	<p>The Government has also cut £30 million from the golden hello recruitment subsidy, part of which was channelled via the Care First Careers scheme to help 50,000 young unemployed people enter the adult social care workforce.</p> <p>The Treasury announcement on the 17th June announced further cuts, including the announcement that the Young Person's Guarantee will not be extended into 2011/12.</p>	<p>5m (2010-11)⁴</p> <p>£450m (2011-12)</p>
Families	<p>The June Budget announced multiple changes in Housing Benefit, which the DWP's Equality Impact Assessment has since shown will disproportionately impact on families with children: on average 47 per cent of those affected by the measure will be families with children although for some measures the proportion of families affected is far higher.⁵</p> <p>The Budget also announced other changes to family benefits.</p> <ul style="list-style-type: none"> - Child Benefit will be frozen for three years from 2011-12 - An income disregard will be introduced for falls in income (which TUC analysis has shown will leave at least 500,000 families £1000 worse off a year) - Increase Tax Credit withdrawal rates - Taper family element of Tax Credit immediately after Child Element - Reduce second income threshold - Reduce the income disregard - Reduce backdating period 	<p>267.6m (2012-13)</p> <p>£365m (2011-12)</p> <p>£550m (2012-13)</p> <p>£640m (2011-12) £510m (2012-13)</p> <p>£140m (2011-12) £105m (2011-12) £315 (2012-13)</p>

⁴ DWP have not been able to provide us with the total cut that the Care First Careers part of the subsidy has had. In addition, we do not have data on how many young people could have been expected to benefit from the wider recruitment subsidy package. As of July 2010 17 per cent of people claiming JSA for over six months were aged 18-24. We have therefore assumed that 17 per cent of the cut has directly affected support for young people.

⁵ We have calculated the impact on families using information from the DWP's Equalities Impact Assessment to identify what proportion of families will be affected by each measure. Using analysis the DWP has provided for local authorities of the average cost per household for each regulatory change, we have calculated the cost of each measure for families. Our analysis is a lower estimate of the impact for families with children, as these families are far more likely than other households to be affected by the cuts in Housing Benefit for larger properties and additional changes introduced in 2012/13 but not yet costed by DWP will also affect many families.

	The Overcrowding Pathfinders pilot which allowed local authority pathfinders to explore ways to tackle overcrowding and under-occupation has been cut.	£1.46m (2010-11)

Note: A number of additional cuts that will impact on children and families have not been included in this analysis, including the indexation of benefits to CPI rather than RPI from 2011, wider local authority service cuts and changes to Housing Benefit beyond those due to be introduced in 2011/12.

Note: A number of cuts that will specifically impact on children's services have not been included as it has not been possible to obtain accurate costing information about the scope of the cuts that have been made. These programmes are: the [childcare affordability pilots](#), which will end in September rather than next year, the freeze on the [Early Years Capital Grant](#), which reports indicate could be worth over £7 million this year and the abolition of the £75 million [Childcare for Learning and Work](#) programmes (the DfE have not yet responded to our queries as to the scale of the cut that the ending of this programme amounts to).