

Written Ministerial Statement

Children and Young People's Review

The Economic Secretary to the Treasury (Mr Ed Balls): In July 2005, the Government announced that a second Comprehensive Spending Review (CSR) would be undertaken, reporting in 2007. Ten years after the first CSR, the Government has shown that a strong economy and sound public finances can be delivered at the same time as sustained and substantial growth in investment in public services. Looking forward, there are new challenges Britain will need to address in order to lock in these benefits for the decade to come, including:

- the intensification of cross-border economic competition as the balance of international economic activity shifts towards rapidly growing emerging markets such as China and India;
- demographic and socio-economic change, such as the rapid increase in the old age dependency ratio as the 'baby boom' generation reaches retirement age;
- the acceleration in the pace of innovation and technological diffusion and a continued increase in the knowledge-intensity of goods and services;
- continued global uncertainty and poverty, with ongoing threats of international terrorism and global conflict; and
- increasing pressures on our natural resources and global climate from rapid economic and population growth in the developing world and sustained demand for fossil fuels in the advanced economies.

These changes will have fundamental and far-reaching implications for public services and will require innovative policy responses, co-ordination of activity across Departmental boundaries and sustained investment in key areas. Budget 2006 therefore announced that the CSR would be informed by a series of policy reviews. One of the reviews announced at the Budget was a joint HM Treasury and Department for Education and Skills policy review of children and young people.

The Government's approach since 1997 has improved the lives of children:

- the risk of a child living in poverty has declined, and 500,000 fewer children live in relative low income poverty than in 1998;
- there are nearly 400,000 fewer children living in workless households;
- educational attainment has increased at all key stages over this period;

- in 1997 there were only 83 comprehensive secondary schools where 70 per cent or more of pupils achieved five or more good GCSEs – by 2004 this had risen to 413; and
- in 1997 a third of children left primary schools without the literacy and numeracy skills necessary to succeed at secondary school and beyond – now 79 per cent achieve these basic standards in English and 75 per cent in maths.

These successes have transformed the life chances of children since 1997. However, in *Support for parents: the best start for children*, published at the Pre-Budget Report, HM Treasury and the Department for Education and Skills identified further steps to be taken to improve the outcomes for children and young people. To take forward these conclusions and inform the 2007 Comprehensive Spending Review, the policy review of children and young people will consider:

- how services for children and young people and their families can build on the three principles identified in *Support for parents, the best start for children* – rights and responsibilities, progressive universalism and prevention – to improve outcomes for children and young people;

Under the umbrella of the children and young people review, sub-reviews will focus on:

- how services can provide greater support to families with disabled children to improve their life chances;
- what strategy should be adopted over the next ten years to deliver a step change in youth services and support for young people;
- how services for families and children at risk of becoming locked in a cycle of low achievement, high harm and high cost can be reformed to deliver better outcomes.

Submissions from interested organisations and members of the public to inform the review can be sent to: cypreview@hm-treasury.gov.uk.

The Terms of Reference covering each component of the children and young people's review are available in the libraries of both Houses.

The Government will report on the Comprehensive Spending Review in 2007.

HM Treasury
5 July 2006