Linking household benefits, financial precarity and child welfare

Full report - April 2026

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Acronyms

AA	Attendance Allowance
CA	Carers Allowance
CIN	Child(ren) in Need
CLA	Child(ren) Looked After
CSC	Children's Social Care
CPC	Child Protection Conference
CPP	Child Protection Plan
DfE	Department for Education
DiD	Difference in Differences
DPIA	Data Protection Impact Assessment
DWP	Department of Work and Pensions
ESA	Employment Support Allowance
IS	Income Support
JSA	Jobseekers Allowance
LA	Local Authority
NFA	No further action
OECD	Organisation for Economic Cooperation and Development
ONS	Office for National Statistics
PIP	Personal Independent Payment
S47	Section 47
SHBE	Single Household Benefits Extract
UCDS	Universal Credit Digital Services
UC	Universal Credit

1. Introduction

This report presents findings from a mixed methods study of the link between financial precarity and involvement with child welfare services for families in receipt of household benefits. The work was funded by Nuffield Foundation and was carried out between September 2023 and November 2025 in partnership with six English local authorities (LAs). In this introductory section, we define key concepts, explain the background and rationale for the study, and make connections to national and international research in this area.

1.1. Key concepts and definitions

Child welfare provision in England falls under the rubric of children's social care (CSC) services. These include community-based family support and children's centres as well as statutory social work interventions for children in need, child protection (CP) interventions, and provision for children in out-of-home care. These services are principally delivered by LAs, and sometimes by agencies in the voluntary or private sectors. This study is mainly concerned with families who are referred to statutory CSC services, most of whom subsequently receive a social work assessment in relation to the welfare of their children.

For a range of reasons, children living in poverty are disproportionately likely to be referred to CSC services, and to receive protective interventions. Poverty is multidimensional and is as much about people's experience of shame, dignity and worth as it is about economic indicators of income and expenditure. In this study, we focus on the narrower concept of financial precarity, which concerns the level of income in the household in which the child lives relative to the cost of living for people in that household. Two income-based measures were used to operationalise this concept: 'households below the poverty line', and 'households in budget shortfall'. The first is a measure of income precarity relative to other households. The second is a measure of whether the household's expenditure is likely to exceed its income. Since the second measure involves estimates of the cost of living using government figures, we mainly report on the first, which is based on actual income data. Both measures involved equivalisation of household income, i.e. adjusting for the number of people living in the household.

This project concerns only households in receipt of means-tested benefits. It therefore addresses a minority sample of children receiving CSC services, who are most likely to be experiencing financial difficulties and to be living in poverty. This is important because differences between households reported in this study are unlikely to reflect distinctions between 'poor' and 'well-off' households; they are more likely to reflect the significance of material differences among households with already limited means.

Financial precarity

We define financial precarity as a level of household income that makes it hard for families to cover the cost of living. We measured financial precarity in two ways: 'households below the poverty line', and 'households in budget shortfall'. The first is a measure of income precarity relative to other households. The second is a measure of whether the household's costs are likely to exceed its income. We mainly report on households below the poverty line, as we had access to raw data on income but not on expenditure.

1.2. Background and rationale

The Social Metrics Commission (SMC, 2024) reported that 16 million people in the UK were living in poverty in 2022/23, equivalent to nearly a quarter of the population and the highest rate recorded so far this century. The rate of child poverty was even higher, affecting 5.2 million children (36% of the child population). Children were also much more likely to experience persistent poverty, defined as currently living in poverty but also in two out of the last three years. Many of these children live in overcrowded and poor-quality housing, with government figures showing that 56% of children in the social rented sector are living in poverty after housing costs, compared to 21% of children living in homes owned outright (Francis-Devine, 2024). Poverty frequently intersects with other forms of structural disadvantage. For example, rates of poverty are three times higher for children in families with a disabled member (Francis-Devine, 2024). Poverty rates are over double for children in households headed by someone from a Black and Global Majority background compared to someone from a White background (SMC, 2024).

Poverty can have devastating consequences for children and is associated with significant adverse effects on their development, education, and wellbeing (Cooper and Stewart, 2021; Skinner and Kennedy, 2025). Moreover, there is a causal link between poverty and child maltreatment, which contributes to a steep social gradient of child welfare interventions (Bywaters and Skinner, 2022). Recent government reports (e.g. Fitzsimons et al., 2022) and an independent review of children's social care (CSC) (MacAlister, 2022), have largely accepted the importance of socio-economic factors as a driver of child safeguarding interventions. Nonetheless, policies that seek to address risks to children by improving the material and socio-economic circumstances of families are rare, and their impact has seldom been evaluated (Bywaters and Skinner, 2022). Although child welfare professionals recognise the significance of poverty for the families they work with, research has shown this knowledge is seldom incorporated into assessments and interventions for individual children and families (Morris *et al.*, 2018; Hood *et al.*, 2020). Instead, safeguarding work

focuses primarily on identifying and addressing perceived deficits in parenting and/or children's risk-taking behaviours. In such cases, poverty is considered a contextual factor, part of the 'wallpaper of practice', visible wherever social workers are involved with families, but something that is rarely targeted directly in everyday casework.

Against this background, the rationale for this study was two-fold. The first is that financial hardship is a dynamic factor that directly affects children's welfare, and therefore falls within the scope of CSC services, but which social workers and other children's professionals often struggle to do very much about. The second is that the material core of poverty, the lack of means to cover even the basic costs of living, is largely overlooked in current policy and practice. A strong evidence base is needed to address such concerns, to which this study seeks to contribute.

Another barrier to addressing the precarious household finances of families with social work involvement is that CSC services do not gather reliable information about household finances. While child and family assessments are required to consider social and environmental factors, no administrative data is collected on the family's economic circumstances, or even the demographic characteristics of the child's parents/carers. Although such information may be reported in the body of the assessment, it is not recorded in a way that can be tracked or aggregated over time. Neither LAs nor researchers have therefore been able to use income and expenditure data to examine the dynamic effect of financial precarity on children's safety and welfare, or to obtain evidence of how changes in families' financial circumstances affect children's lives, particularly in households with already low incomes. Nor is it known whether and to what extent children and families would want information about household income, benefits uptake and cost-of-living data to inform and contribute to the design and delivery of services in their area (Morgan and Currie, 2024). Ethical use of children and families' data is a growing public concern (Gorin *et al.*, 2024), and whilst improved use of administrative data can shape policy to improve children and families' outcomes, there are ethical, as well as technical, considerations to be addressed (Leslie *et al.*, 2020). These include balancing the affordances of data use with potential risks to citizens' rights and individuals' privacy and ensuring that inferences drawn from these data reflect lived experience.

1.3. National and international evidence

Research in many countries has found that families in receipt of means-tested benefits are more likely to have involvement with child welfare services (Bebbington and Miles, 1989; Bhatti-Sinclair and Sutcliffe, 2012; Wall-Wieler *et al.*, 2018; Hiilamo *et al.*, 2023; Melis *et al.*, 2023). Likewise, children who live in families experiencing financial hardship are more likely to be subject to protective interventions and to be placed in out-of-home care (Berger and Waldfogel, 2004; Yang, 2015; Esposito *et al.*, 2017; McLaughlin, 2017). At the same

time, policies that expand access to financial assistance, such as income or tax credits, or serve to reduce local and regional poverty, have been found to reduce entries to care (Esposito *et al.*, 2017; Biehl and Hill, 2018; Rostad *et al.*, 2020; Kovski *et al.*, 2022; Austin *et al.*, 2023). In contrast, policies that impose restrictions on benefits, such as time limits, or otherwise reduce access to financial assistance, are found to have the opposite effect, increasing risks to children's welfare (Andersen *et al.*, 2025) and therefore the likelihood of protective and care interventions (Wildeman and Fallesen, 2017). In England, Bennett *et al.* (2022) examined the impact of welfare policy changes between 2015 and 2020. They found that rising levels of child poverty were linked to an additional 10,351 children and young people entering care over that period, equivalent to one in twelve care entries and an estimated £1.4 billion of placement costs. This evidence aligns with systematic reviews of international literature, which have found robust evidence of a causal relationship between families' economic circumstances and adverse childhood experiences, including the risk of maltreatment (Walsh *et al.*, 2019; Cooper and Stewart, 2021).

Overall, national and international research suggests that policies and practices to mitigate and reduce financial hardship among families receiving benefits should have a positive impact on children's welfare and therefore reduce the risk of protective interventions. However, barriers to access and availability have made it difficult to test these propositions directly using child and household-level data. For this reason, a novel administrative data linkage was piloted as a potential way of addressing the evidence gap.

1.4. Pilot study

A pilot study was undertaken in partnership with one London LA (Hood, 2022). The pilot linked operational data about families receiving means-tested benefits and those receiving children's social care (CSC) services. These data are held in separate administrative siloes by LAs and so require specific data governance permissions in order to join them up. This work established that data governance and the linkage itself was feasible and there was sufficient overlap to create a combined dataset suitable for analysis. Indicative results suggested that families experiencing financial hardship were overrepresented among children receiving CSC services. Discussions were held with stakeholders as part of the pilot, in order to develop research questions and guide future analysis of the linked dataset.

These discussions highlighted the need for further work to be informed by the lived experience of young people and families, and by the professional experience of children's social care managers and frontline practitioners. A particular concern was the effect of changes to government benefits, which affect families in different ways at different times. Evidence of how such changes affect families would help LAs understand and respond to demand for social care in the communities they serve. We therefore decided to examine a policy with a measurable effect on household income and financial precarity. This was the

Universal Credit (UC) uplift of 2020-21, which was awarded to households on UC but not to those on other benefits. Findings would be combined with the voices of young people, parents/carers and professionals in order to study the relationship between household income, financial precarity and child welfare interventions.

1.5. Aims and objectives

The aim of the project was to use linked operational data, informed by stakeholder voices, to investigate the relationship between household income, financial precarity and child welfare provision. The intended outcome is to promote social policies that improve families' financial circumstances and contribute to the strategic, ethical use of government data to improve services.

Specific objectives and research questions were:

Objective 1: Examine the dynamic effects of changes in household income and the cost-of-living on financial precarity and child welfare provision:

a) What is the relationship between household income, cost-of-living and financial precarity among households receiving benefits?
b) Is financial precarity associated with a higher likelihood of referral to children's social care and subsequent service provision?
c) What contextual factors moderate the effect of financial precarity as a risk factor for CSC involvement?

Objective 2: Analyse the impact of the 2020-21 UC uplift on financial precarity, referrals to CSC and subsequent interventions:

a) What was the effect of the UC uplift, and its later withdrawal, on rates of financial precarity among households that received it?
b) Were households receiving benefits that received the UC uplift more or less likely to be referred to CSC than households that did not?
c) Were households referred to CSC that received the UC uplift more or less likely to require protective interventions than households that did not?

Objective 3. Examine stakeholders' experiences of the relationship between financial precarity and child welfare, and their views about the ethical use of data to improve policy and service response:

a) How do families, children and CSC professionals experience the relationships between financial precarity, benefits provision and CSC referral?
b) What are stakeholders' views on how children and families' data should be used ethically to improve policy and service responses to financial precarity and child welfare?

2. Methods

The research was designed as a mixed methods study, combining quantitative analysis of a linked extract of benefits data and children's social care (CSC) data, with qualitative analysis of families' and professionals' views and experiences.

2.1. Ethics and data management

Ethical permission for the research was obtained from the Faculty Research Ethics Committee (Faculty of Health, Science, Social Care and Education) of Kingston University.

For the secondary analysis of administrative data, the main ethical and research governance issues concerned data security and anonymity, both at the stage of data linkage, which required personal identifiers to be matched, and secondly in the analysis of the anonymised research data, due to the possibility that individuals could be identified when demographic characteristics such as age, gender, and ethnicity are combined, or due to unintended statistical disclosure in research outputs. A separate data protection impact assessment (DPIA) was undertaken in each of the six LAs. It is worth noting that each LA has its own data governance procedures, which requires direct and independent negotiations with each partner agency, i.e. there is no standardised form or centralised process for a project of this kind covering multiple sites in England.

All data files for the project were shared via secure file transfer protocol with Policy in Practice and stored on the company's server. Data access was limited to designated analysts, each working on an encrypted laptop, so that all storage and processing remained within Policy in Practice's safe environment. Outputs were checked to ensure that they were at a sufficiently high level of aggregation to make it impossible for individuals to be identified, e.g. through a combination of geographical and personal characteristics.

2.2. Datasets

The following administrative datasets from six LAs, covering the financial years 2019/20 to 2021/22, were used in this study:

1. Children in Need (CIN) Census – information about interactions with CSC from the point of referral onwards, including assessments, CIN episodes Section 47 enquiries, and child protection plans.
2. Single Housing Benefits Extract (SHBE) – information compiled from monthly returns of housing benefit and council tax reduction claimants from each individual LA.

3. Universal Credit Data Share (UCDS / UCDS-LCTR) – this dataset is produced by the Department for Work and Pensions (DWP) and shared with LAs as a daily feed. It contains updates on Universal Credit claimants whose circumstances have changed and who are either receiving CTR or have indicated to DWP that they wish to claim it. The information is therefore limited to UC claimants linked to CTR administration.

Additional data sources were used to estimate total household costs, specifically the *Family Spending Workbook* published by the Office for National Statistics (ONS, 2025).

A summary of key indicators used in the research is shown in Table 2.1.

Table 2.1. Data sources and indicators

Category of data	**Data sources**	**Indicators**
Child	CIN Census	Age Ethnicity Gender Disability
Claimant	SHBE UCDS	Age Gender Income Employment status
Partner	SHBE UCDS	Age Gender Income Employment status
Other people in the household	SHBE UCDS	Non-dependent adults present in the household
Household income	UCDS	Net earnings from claimant and partner Unearned income UC payment ● Standard allowance ● Child element ● Disabled child element ● Childcare element ● Child benefit ● Housing element ● Carer element ● Limited capability for work (LCW) ● Limited capability for work related activity (LCWRA) ● Deductions

Category of data	Data sources	Indicators
	SHBE	Net earnings from claimant and partner Other income Legacy benefits ● Housing Benefit ● Working and Child Tax Credits ● Child Benefit ● Maternity allowance ● Statutory Maternity Pay ● Attendance allowance ● Personal independence payment (mobility and care) ● Carer's Allowance ● Severe Disability Allowance ● Employment support allowance ● Jobseeker's Allowance ● Income Support ● Pension Credit
CSC provision	CIN Census	● Start and end dates for all CIN activity ● Type of service provision (e.g. NFA, CIN, S47, CPP) ● Primary need identified at assessment ● Factors recorded at assessment ● Reason for case closure ● CP Plan category of abuse ● Source of referral ● Re-referrals
Household Expenditure	SHBE UCDS	Monthly rent
	ONS: Family Spending Workbook	Other costs ● Non-rent expenditures: electricity, gas, water, public transport, mobile phone plans, groceries, and TV license Other personal expenses

2.3. Assemble a linked extract of benefits and CSC data

2.3.1. Access and availability

Six LAs participated in this study, sharing data from SHBE, UCDS, and the Children in Need (CIN) Census for the period between April 2019 and March 2022. SHBE and UCDS are household-level databases, where children are listed as dependents of the main claimant or partner. In contrast, the CIN data is at the child level. In total, the benefit datasets (SHBE and UCDS) contained information on approximately 163,500 households, including families with and without children, as well as single-person households. The CIN Census data

included records for around 45,690 children. Table 2.2 summarises the data shared by each LA across the three datasets.

Table 2.2 Data shared by participating LAs – all households

Data source	LA1	LA2	LA3	LA4	LA5	LA6	All LAs
SHBE - households	27,460	9,600	23,130	25,130	-	17,570	102,900
UCDS - households	21,320	12,170	-	-	27,120	-	60,610
CIN Census - children	6,750	6,940	7,780	8,570	7,950	7,690	45,690

Note: numbers rounded to the nearest 10

The SHBE data include claims for housing benefits and other legacy benefits, while the UCDS data contain information used by DWP to assess UC claims. Typically, a household or claimant appears in only one of these systems, as UC has gradually replaced legacy benefits for most new claims as managed migration goes on. However, there are exceptions in which a claimant can appear in both datasets; for example, households in temporary accommodation may still receive housing benefit while also claiming UC.

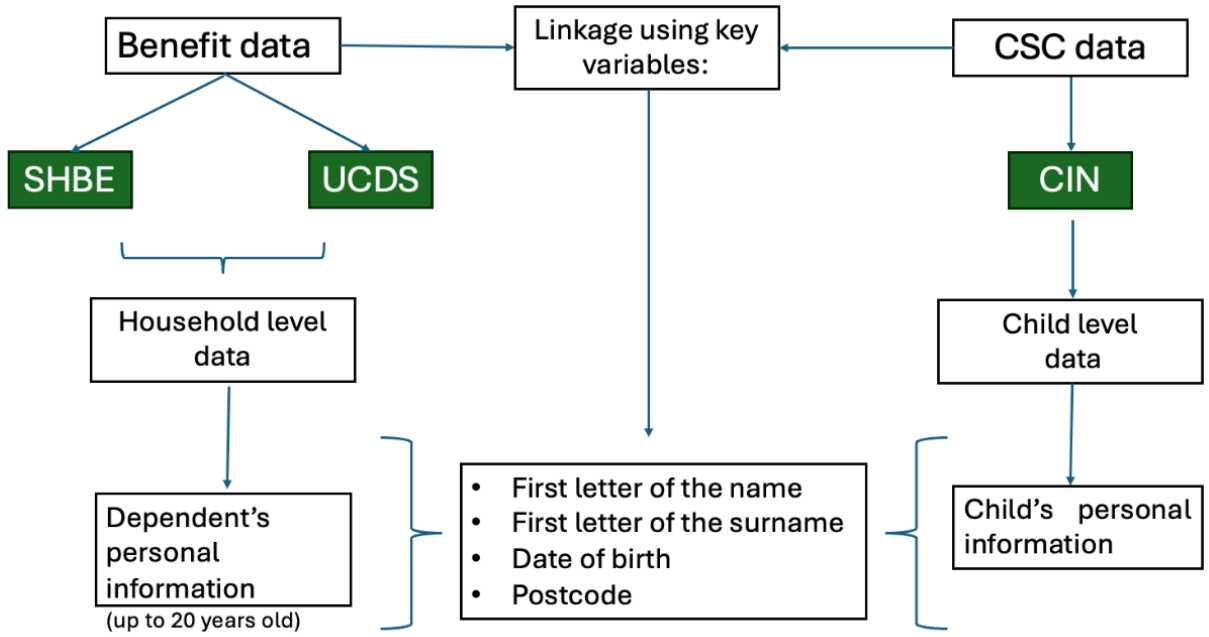
To avoid double-counting such cases, we identified these overlapping households and categorised them under a separate source, referred to as “SHBE-UCDS”. For these cases, we used income information from UC and supplemented it with the housing benefit from SHBE. In addition, to ensure comparability across families with and without interaction with CSC, we restricted the benefits data to households with at least one child (35% of the original benefits database). To facilitate analysis and linkage, we transformed the entire benefits dataset to a child level by assigning the relevant household information to each child. Finally, we restricted the sample to children under 18 to align better with the standard age limit for CSC referrals. While the benefits system can extend the definition of a ‘child’ to dependents under 20 (if in approved education or training), we exclude these individuals to maintain consistency with CSC data. This filter only affected a small portion of the group - around 4% of the total matched sample (approximately 5,000 children).

Consequently, the final sample used for linkage with CIN data therefore comprised approximately 111,180 children distributed across 51,680 unique households. These represent families with children who interacted with the benefits system through either legacy benefits, Universal Credit or the Council Tax Reduction Scheme during the observed period.

2.3.2. Linkage method

A 'split-file' approach was adopted for the data linkage process. This involves full separation of personal identifiers (e.g. name, address) and attribute data (e.g. referrals to CSC) and is considered the best practice protocol for the preservation of security and confidentiality of personal data (McGrath-Lone, 2021; Harron, 2017; Kelman, 2002). Figure 2.1 below illustrates the linkage process.

Figure 2.1 Procedure for linking benefits and CIN data



Using this procedure, an extract of personal identifiers was provided separately from information about service provision and used only for the purposes of matching. A single analyst carried out the matching of identifiers and then created a fully anonymous research identifier to match the relevant records in the linked dataset. Once linkage was complete, all subsequent analysis was undertaken with the anonymised research dataset, which had no personal identifiers.

For this project, the linkage between the CIN and benefit data was performed using the child's first letter of their name, first letter of their surname, date of birth, and postcode. The overall matching rate for the project was 10% of children in the benefits data (11,060 children), with rates varying across LAs from 5% (the lowest) to 16% (the highest). Table 2.3 summarises the final dataset statistics and matching rates by LA.

Table 2.3 Data shared by participating LAs – Households with children

Data source	LA1	LA2	LA3	LA4	LA5	LA6	All LAs
SHBE – children	14,980	5,820	10,540	18,950	-	17,320	67,600
SHBE – households	5,480	2,320	5,490	9,130		7,850	30,270
UCDS – children	14,530	11,070	-	-	15,910	-	41,500
UCDS – households	6,780	5,160	-	-	8,190	-	20,150
SHBE-UCDS – children	1,030	1,060	-	-	-	-	2,080
SHBE-UCDS – households	650	610	-	-	-	-	1,260
CIN Census – children matched	2,910	1,870	1,710	2,220	800	1,550	11,060
CIN Census – match rate	10%	10%	16%	12%	5%	9%	10%
Total – children	30,530	17,940	10,540	18.950	15,910	17,320	111,180
Total – Households	12,910	8,090	5,490	9,150	8,190	7,850	51,680

Note: numbers rounded to the nearest 10

2.3.3. Data cleaning

Cleaning benefits data

The two benefit administration datasets (SHBE and UCDS) are at the household level, and contain information on claimants, their partners, dependants and non-dependants. Our aim was to process and restructure these data into a child-level dataset that could be linked with the CIN Census, which is provided at the child level.

For both sources, we had information on all claimants and households receiving benefits within each system, including those with and without children. A key step in the cleaning process, therefore, was to retain only families with children, reducing the dataset to the relevant analytical sample and ensuring an appropriate comparison group. When processing the benefit information from UCDS, we removed snapshots where a claim termination was recorded, as these correspond to claimants who were no longer receiving benefits. Similarly, in cases where two records existed for the same claimant within a single snapshot, we retained only the most recent one, identified through the payment and batch date variables, as this represents the most up-to-date information for that period.

For the SHBE dataset, an additional processing step was required to account for passported cases. These refer to benefits that individuals are automatically entitled to because they receive another income-related benefit under the legacy system, such as Income Support (IS), Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA), or Pension Credit. Although these passported benefits are not directly included in the raw SHBE data, specific flags allow us to identify whether claimants were receiving them. Using this

information, we incorporated the corresponding passported benefits into the calculation of total household income. This process aligns with the methodology applied in the Low-Income Family Tracker (LIFT) platform developed by Policy in Practice.

Cleaning CIN data

Additionally, as part of the cleaning process for the CIN dataset, we implemented further procedures to ensure that each episode, identified by referral date and child ID (created using the child's personal information by LA), contained updated information and an associated closure date. Following the approach used in (Emmott *et al.*, 2019) we assigned closure dates to all original episodes that were missing one, taking into account the most recently updated information available for each episode.

To address missing closure dates, we inferred them using other variables within the episode. A case was considered closed if: (1) the episode included any record of closure, such as an entry marked "no further action" or a "reason for closure"; or (2) the episode was no longer present in the subsequent financial year's dataset. Since each financial year's data includes all active cases, the absence of a case in the following year indicates that it had been closed. In these instances, we assigned the last day of that financial year as the closure date

LAs report all open cases over a 12-month period, which means that the same case may appear in multiple years when linking the CIN census over the three years we have data available, generating duplicate episode entries. Over time, records can be updated to include new information such as amendments to original data, details of child protection plans, or closure information. For this reason, we retained the most recent version of each episode as the definitive record, as it is the most likely to be accurate and complete (with the exception of child protection plan data). Because a child may have multiple child protection plans within a single CIN episode, these details were identified and consolidated across the repeated records corresponding to the same episode.

2.3.4. Calculation of household income

Household income was calculated in several stages using two administrative datasets: UCDS (Universal Credit) and SHBE (legacy benefits). For UCDS, monthly income included net earnings of claimants and partners, unearned income, and total Universal Credit payments covering all relevant elements and deductions. Child Benefit, which is not recorded in UCDS, was added for all eligible children using statutory rates, reflecting its high take-up. For SHBE, income was constructed from net earnings and a wide range of legacy and disability-related benefits. Where benefit amounts were missing from the raw data, standard statutory values were added manually, including Disability Living

Allowance, Carer's Allowance, and the £20 uplift where applicable. Total household income was equivalised using the modified OECD equivalence scale, which is also the basis for ONS figures on household finances in the UK (Office for National Statistics (ONS), 2014). This equivalised income was the measure used to assess financial precarity. Financial precarity was defined using two measures: relative poverty (below 60% of the national median equivalised income) and budget shortfall, where income fell below household costs. To ensure comparability across datasets, certain disability benefits were excluded, and income records were harmonised for households appearing in both systems.

A more detailed step-by-step account of how household income was calculated can be found in Appendix 10.

2.3.5. Calculation of household cost

The household costs analysed in this report comprise two main components: monthly rent and "other costs". The latter category encompasses non-rent expenditures, including electricity, gas, water, public transport, mobile phone plans, groceries, TV license and other personal expenses.

Rent data was extracted from the monthly UCDS and SHBE databases. "Other costs" were derived from the March 2020 Family Spending Workbook (ONS, 2020), published by the Office for National Statistics (ONS). We then applied uprating and inflation adjustments to estimate these figures for the other years in our analysis. The March 2020 publication was selected due to concerns that subsequent workbooks may be less accurate because of shifts in the cost of living during the COVID-19 pandemic.

The ONS Family Spending Workbook provides a detailed breakdown of average weekly UK households expenditure, segmented by income decile, region and age of the household reference person. For this analysis, we used the average expenditure for the third decile, as this group was most representative of the households in our dataset. To derive a per-person cost, this figure was divided by the average household size (as reported by the ONS) and then converted from a weekly to a monthly value. Finally, this monthly per-person average was adjusted for each household on our database using the OECD equivalence scale to establish the final "other costs" component.

Total monthly cost for each household was calculated as the sum of its monthly rent and the estimated monthly 'other costs', a methodology widely used by local authorities to identify households that are financially vulnerable (Policy in Practice, 2025).

2.3.6. Typology of provision

CIN episodes were used as the main unit of analysis for CSC provision. Each CIN episode, or 'case', has an opening and closure date, and all social care activity is carried out as part of an overall episode. Once a CIN episode is closed, any new social care activity must be recorded as a new CIN episode.

There is a structured pathway that outlines the possible levels of service provision (Department for Education, 2024). This pathway is summarised below:

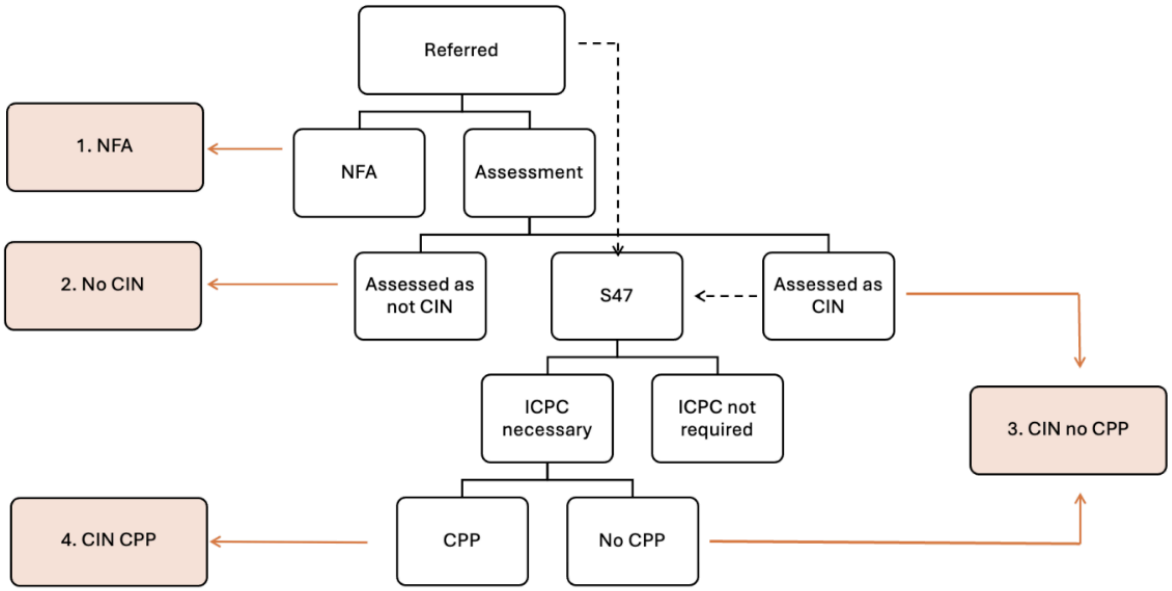
- **Referral** to children's social care (CSC).
- **Initial screening:** following the referral, the child may be assessed as requiring 'no further action' (NFA), meaning no additional services are provided. In this case, no social work assessment is carried out.
- **Assessment of the child's needs**: most referrals proceed to a child and family assessment, which is carried out by a social worker. The assessment determines whether the child is currently a 'child in need' (CIN), as set out by Section 17 of the 1989 Children Act.
- **Assessed not-CIN**: if the assessment considers the child is not in need of statutory services, the case is closed to CSC (although the family may be signposted to other types of support).
- **Assessed as CIN**: if the assessment does consider the child to be in need, then they will be allocated a social worker to coordinate a multi-agency CIN plan.
- **Section 47 (S47) enquiry:** if there are concerns that a child is suffering, or is likely to suffer, significant harm, a S47 enquiry is carried out to determine whether further action is needed to promote and safeguard the child's welfare.
- **Child protection conference (CPC)**: if a S47 inquiry determines that a child is at risk of significant harm, it will recommend that an initial CPC be held. For children already on a child protection plan, a review CPC will be held regularly to monitor progress.
- **Child Protection Plans (CPP)**: a child may have none, one, or multiple CPPs during their involvement with CSC. Within this process, both an initial and a latest category of abuse are assessed and recorded.

On the basis of these pathways, and following a similar procedure as Hood *et al.* (2024), the type of provision within each episode was classified as one of four mutually exclusive intervention pathways for the purpose of analysis. Figure 2.2 provides further insight into this classification:

1. **NFA** (No Further Action) – a referral was closed without proceeding to assessment
2. **Not-CIN**: a child and family assessment was completed and concluded that the child was not in need of statutory services, so the case was closed.

3. **CIN-not-CPP**: the child received services as a child in need but was not subject to a Child Protection Plan during this episode.
4. **CIN CPP**: the child was subject to a Child Protection Plan, following a Section 47 inquiry and Child Protection conference.

Figure 2.2. CIN data structure



2.4. Analyse the relationship between financial precarity and CSC interventions

2.4.1. Financial precarity and CSC referrals

The association between financial precarity and referrals to CSC was examined using a pooled logistic regression model. The analysis focused on children identifiable within the benefits systems (UCDS and SHBE) and assessed whether a child was ever referred to CSC during the study period. Financial precarity was measured in two ways: living below 60% of the national median equivalised income and experiencing a budget shortfall, where household income was lower than household costs. Models were estimated with and without accounting for non-dependants in income equivalisation. The analysis controlled for child age, household composition, partnership status, and employment income, and included local authority and year fixed effects. Results are presented as marginal effects, with standard errors clustered at the household level. The full model specification can be found in Appendix 11.

2.4.2. Interventions after referral

To assess whether financial precarity influences outcomes following a child's referral to CSC, the analysis focused on children referred during the study period and examined four mutually exclusive child in need (CIN) outcomes: no further action, not assessed as CIN, CIN without a child protection plan, and CIN with a child protection plan. Separate pooled logistic regression models were estimated for each outcome. Financial precarity was the key explanatory variable, with controls for child characteristics, household composition, partnership status, and employment income, alongside local authority and year indicators. Additional child-level characteristics from the CIN census, including ethnicity, disability, and gender, were included. Further analyses examined the likelihood of repeat referrals and outcomes among re-referred children. Results are reported as marginal effects with household-clustered standard errors. The full model specification is set out in Appendix 12.

2.4.3. Changes in household circumstances

We used longitudinal linked data on CSC involvement and household circumstances to examine how changes within households affect the likelihood of a child being referred to CSC. The analysis followed children monthly and identified whether a referral, or a referral followed by an assessment, began in a given month. Key explanatory variables captured transitions in household circumstances, such as changes in parental employment, partnership status, or entry into poverty. These transitions were identified from monthly records and allowed to influence outcomes for up to six months to reflect potential

medium-term effects. We estimated child-level conditional logistic regression models with household fixed effects, clustering standard errors at the household level. This approach controls for all unobserved, time-invariant household characteristics that may influence referral risk. Models also included time-varying household and child characteristics, child-level fixed attributes, and month-year indicators. Household-level fixed effects were used because most explanatory factors are shared across siblings living in the same household. A full model specification is set out in Appendix 13.

2.5. Analyse the impact of the UC uplift

We identified households in the data that were affected by the £20 Universal Credit (UC) uplift. This temporary measure, introduced by the UK government in response to the COVID-19 pandemic, increased the standard allowance of UC by £20 per week (approximately £86.67 per month). The uplift was in place from 1 April 2020 to 30 September 2021 and aimed to provide additional financial support to low-income households during the crisis.

In our data, this uplift applied to:

1. Individuals in the UCDS dataset (Universal Credit recipients).
2. Individuals in the SHBE dataset who were receiving Working Tax Credits, as an equivalent £20 weekly increase was also granted to those on legacy benefits.

We conducted the analysis using data from **LA1** and **LA2** only, as these were the only LAs that provided both SHBE and UCDS datasets. The analytical sample was restricted to a panel of children from households with at least two monthly observations, one before and one during the uplift period, ensuring that changes could be properly tracked over time.

To estimate the impact of the UC uplift, we employed a difference-in-differences (DiD) model. This approach compared changes in children's social care (CSC) referrals and interventions over time between households that received the uplift and a comparison group that did not.

A logit model was used, with a binary dependent variable indicating whether a household experienced a CSC referral or intervention, and standard errors were clustered at the household level to account for within-household correlation.

Finally, we tested the parallel trends assumption, which is that in the absence of the uplift, the difference between the treatment and control groups would have remained constant over time. This assumption was met, supporting the validity of the DiD design.

2.5.1. Data preparation

For the two LAs included in this analysis, we selected a panel sample of children, defined as those with at least one observation before and one observation during the period in which the uplift was active. This restriction ensured that each household was observed in both time periods and that we could identify children who did and did not receive the uplift, both before and after the policy implementation.

The following tables summarise the changes in the number of children by relevant group and by whether they were referred at any point in time. Table 2.4 presents the total number of children across LA1 and LA2 before and after applying the panel restriction.

It is important to note that applying the panel restriction results in a substantial reduction in the number of observations. This loss primarily reflects families leaving the benefit system or moving to another borough, which prevents us from continuing to track them over time.

Table 2.4 Number of children by uplift and referred status in LA1 and LA2 before and after restricting the sample to panel children only

	Not referred		**Referred**		**Total**	
	Original sample	**Panel sample**	**Original sample**	**Panel sample**	**Original sample**	**Panel sample**
No uplift	8,450	4,180	488	300	8,940	4,480
Uplift	38,290	18,420	2,780	1,440	41,070	19,860
Total	46,740	22,600	3,270	1,740	50,010	24,340

Note: numbers rounded to the nearest 10

2.5.2. Difference in difference (DiD) analysis

To estimate the impact of the £20 Universal Credit uplift on financial precarity and CSC outcomes, we used a difference-in-differences design with panel data on children from two LAs. Outcomes of interest included relative poverty status, CSC referrals, and child in need (CIN) episode types, all measured as binary indicators. Given the binary nature of the outcomes, we followed Wooldridge's recommended nonlinear DiD approach (Wooldridge, 2023), estimating pooled logistic regression models with treatment, time, and interaction terms to identify causal effects. The key parameter of interest captured the differential change in outcomes for children in households receiving the uplift during the period it was in place. Models controlled for child and household characteristics, as well as local authority and year fixed effects, with additional child-level controls included when analysing referred children. Results were reported as average marginal effects to facilitate interpretation as changes in outcome probabilities. Standard errors were clustered at the household level. Parallel trends were assessed using pre-treatment interaction tests. For CIN outcomes, analyses were restricted to episodes active during the uplift period to ensure accurate timing. A full model specification is set out in Appendix 14.

2.6. Qualitative study of family and professional perspectives

2.6.1. Sampling and recruitment

The qualitative fieldwork involved working with four different groups who formed 'expert panels':

Expert Panels 1 & 2: Young people and parents/carers with experience of social care and of living in families who have accessed benefits at some point.

The participants for this expert panel were recruited via the National Children's Bureau, either through existing youth or parent and carer panels, or through an open call for participants. NCB conducted a screening process involving video and phone calls to confirm participants eligibility to take part, and to talk them through what their involvement would entail. Over two phases of fieldwork we spoke to six young people and six parents and carers. In total, five of these participants were male and seven were female, nine identified as White British and three as from other ethnic backgrounds. Five participants returned for both phases of the study.

Expert Panels 3 & 4: Practitioners and managers with experience of working in children's social care or other services such as health, education or the third sector who have experience of supporting, or managing those who support families who face on-going financial difficulties.

This expert panel was recruited via Research in Practice, who sent information about the study through their existing partner network to request expressions of interest, with targeted follow ups for gaps in recruitment. Interested participants were asked to complete an online screening tool to confirm their eligibility to take part, with Research in Practice making contact with those who met the criteria. Over the two phases, we spoke to ten practitioners and eight managers, with a fresh round of recruitment needed between the two phases of the study. Participants represented eight out of the nine regions in England. Although gender and ethnicity data was collected during screening to ensure a diverse panel of participants, this was not stored or used for the purposes of data analysis. Table 2.5 provides a breakdown of the participants involved in the practitioner and manager panels.

Table 2.5 Characteristics of participants (practitioners and managers)

Characteristic	**N.**
Primary area of work	
Local authority early help / family support	4
Local authority children's social care	11
Other (e.g. relevant related services)	3
Social work qualified	
Yes	12
No	6
Length of experience	
More than 3 years	16
3 years or less	2

2.6.2. Data collection

Data was collected through focus groups (and two single person interviews) on MS Teams over two phases of fieldwork. The focus groups were intended to play two roles in the study: (1) to gather lived and professional experiences of financial precarity and its impacts on families in the children's social care system, (2) to invite participants' reflections on how information about a family's financial circumstances could be used in children's social care. In the latter instance, participants were specifically invited to reflect on the emerging findings of the study and to feed into the recommendations derived from the quantitative fieldwork, ensuring that their voice was reflected in what the key messages from the study should be.

The two fieldwork phases involved:

- Phase one (Spring/Summer 2024) – Discussions focused on what 'financial precarity' means, what its perceived impacts are on families, and how it shapes experiences of engaging with children's social care. For CSC participants, we also discussed the challenges of supporting families experiencing financial precarity and what information they have on a family's financial circumstances. Participants were also invited to hypothesise what the project's analysis of linked data might tell us about families' experiences of precarity and social care.
- Phase two (Winter/Spring 2025) – Involved sharing a series of graphs from the data linkage work and inviting participants' reflections on what the graphs tell us. The discussion also focused on different scenarios for using financial information to shape support for a family in children's social care.

2.6.3. Analysis

After each phase of the qualitative fieldwork, the research team met for half-day analysis workshops to collectively read the transcripts and to identify initial themes, mapped visually onto Padlet boards. This then formed the basis for a more in-depth thematic analysis using NVIVO to code themes from the analysis workshop. These themes were then presented to the wider team (including the quantitative researchers) for further discussion.

2.7. Limitations

Several limitations should be acknowledged. As this research was undertaken directly with LAs, we were only able to link data for households claiming benefits that the LA administers or has access to. These mainly comprise Housing Benefit and Council Tax Reduction (CTR), as well as households on Universal Credit (UC) where UC status is visible to the LA through CTR claims. A further constraint was that LAs do not always keep historical records for certain types of benefit, so not all benefits data were available for research purposes. Working with administrative records kept for different purposes has constraints related to how data is entered and the importance data users assign to the various fields. For this reason, the linkage itself may not have succeeded in matching all the relevant households. In other words, some children living in households in receipt of benefits will have been missing from the analysis. We were able to check the representativeness of our sample in some respects, e.g. demographics and household composition, since we had data about all children referred to CSC, as well as all children recorded in the LA benefits data (see Section 3.1).

As the quantitative research was conducted in six LAs in London and southeast England, the generalisability of findings to other regions may be limited. For example, the demographic make-up of the child population in our dataset (see Section 3.1) may have been ethnically more diverse than other parts of the country, particularly rural counties. Local service structures, commissioning practices, and the availability of preventative support vary significantly between councils, influencing how cases are assessed and managed. Second, the study relied on linked administrative data and qualitative interviews, which while robust, cannot capture the full complexity of families' experiences or account for unobserved variables that may influence referral and intervention patterns. Third, the analysis of Universal Credit uplift effects was limited by the relatively short duration of the policy and constraints in the availability of data. Another limitation relates to the complexity of defining and measuring financial precarity. While eligibility for means-tested benefits and indicators of poverty provide useful markers, they do not capture important dimensions such as debt, insecure work, or the cumulative effects of repeated financial shocks. Similarly, while the study demonstrates correlations between changes in household

finances and child protection involvement, causality cannot be inferred with complete certainty.

Finally, qualitative data illustrated a range of perceptions about the tools and resources available to CSC services in order to address financial hardship. These views, while valuable, may reflect local circumstances rather than systemic patterns across the country. Future research could address these issues by using nationally representative data, examining longer-term impacts of income support, and exploring family perspectives more fully.

3. Findings

Findings are reported below in relation to each of the study objectives. First, we describe the linked dataset used for the quantitative work and summarise results for the analysis of financial precarity and its association with CSC referrals and interventions. Second, we report on the impact of the UC uplift on levels of financial precarity and on CSC involvement. Third, we discuss the main themes emerging from qualitative analysis of data from interviews and focus groups, along with the integration of qualitative and quantitative findings.

3.1. Characteristics of the linked dataset

The final linked dataset, which is described in Tables 3.1 and 3.2, included 51,680 households and 111,180 children. 10% of the children in our benefit dataset (11,060) had a corresponding record in the CIN Census and were therefore referred at some point to Children Social Care.

Table 3.1 Distribution of Households in benefit data by key characteristics

	N households	**% households**
N	51,680	100%
Relationship Status		
Couple	17,430	34%
Single	34,250	66%
Number of Children		
1	20,265	39%
2	17,730	34%
3	8,710	17%
4	3,390	7%
5 +	1,590	3%
Referred Status		
Referred	6,220	12%
Not Referred	45,460	88%
Number of non-dependants		
0	41,900	81%
1	6,600	13%
2	2,310	4%
3	630	1%
4	160	0%
5 +	68	0%

Note: numbers rounded to the nearest 10

Within the 51,680 households, 66% were single parents and 34% couples. The most common size was single-child (39%), followed by two-child (34%) and three-child (17%) households. Just over 10% of households had four or more children. 12% of all households had at least one child referred to social care at some point. Most households (81%) did not have non-dependants living with them, followed by having one (13%) or two (4%).

For the 111,180 children in the benefit data, the age distribution leaned towards younger children: 34% were aged 0-5 on their first appearance in the dataset, 29% were aged 6-10, 26% were aged 11-15 and only 9% were 16 or older.

Only 10% of the children in the data were matched to a referral to CSC services and so 90% never had contact with child welfare services during the study's observation period.

Table 3.2 Number of children in the benefits data

	N children	**% children**
N	111,180	100%
Age		
0-5	39,890	36%
6-10	32,340	29%
11-15	29,120	26%
16+	9,820	9%
Referred Status		
Referred	11,060	10%
Not Referred	100,130	90%

Note: numbers rounded to the nearest 10

Information on children's gender and ethnicity, which is shown in Table 3.3, was taken from the CIN Census due to its higher data quality and completeness in these fields. As a result, these variables are only available for children who had contact with CSC, and not for the full sample of children in the benefits data. When comparing the distribution of gender and ethnicity before and after linkage with the benefits data, the proportions remained largely consistent. Male children accounted for a slightly higher share (52%) compared to females (48%), while White children represented the largest ethnic group (42%), followed by Black (21%), Mixed (16%), and Asian (12%) children.

Finally, regarding the age distribution of children who had contact with CSC, the CIN Census data before linkage showed a relatively even distribution across age levels, with a slightly higher concentration among children under five years old. After linkage with the benefits data, this pattern changed slightly: the proportion of children aged 16 and over decreased, while the shares of younger age groups increased. This shift was expected, as the age distribution after linkage followed more closely that of the benefits data.

Table 3.3 Characteristics of Children in CIN data by key characteristics

	Before linkage (CIN data)		After linkage (CIN data)	
	N children	**% children**	**N children**	**% children**
N	44,290	100%	11,060	100%
Gender				
Female	20,640	47%	5,280	48%
Male	23,060	52%	5,750	52%
Not recorded/unborn	470	1%	20	0%
Other/Unknown	110	0%	10	0%
Ethnic Group				
White	17,670	40%	4,630	42%
Mixed	6,180	14%	1,740	16%
Asian	5,510	12%	1,310	12%
Black	9,090	21%	2,370	21%
Other/Unknown	3,630	8%	690	6%
No data	2,210	5%	310	3%
Age				
0 – 5	14,660	33%	3,490	32%
6 – 10	11,630	26%	3,340	30%
11 – 15	12,350	28%	3,420	31%
16 +	9,160	20%	800	7%

Note: numbers rounded to the nearest 10

Table 3.4 presents descriptive statistics across the six LAs (LAs) included in the study, together with the overall mean values.

The proportion of households below the poverty line varied moderately across areas, ranging from 33% in LA4 to 52% in LA6, with an overall average of 42%. When non-dependants were included in the equivalisation process, the share of households below the poverty line rose to 40-60% on average across LAs, indicating higher measured poverty once household composition was fully accounted for. This trend was consistent across all LAs in the study.

The proportions of households in budget shortfall were relatively consistent across LAs, ranging between 15% and 33%, suggesting broadly similar financial constraints.

Mean equivalised income stood at £1,722 per month, with values spanning from £1,564 in LA6 to £1,849 in LA2. When non-dependants were included in the equivalisation, income levels decreased to an average of £1,666, reflecting the adjustment for larger household structures. After accounting for living costs, the mean equivalised income after costs declined to £727, ranging from £658 in LA6 to £819 in LA2. Including non-dependants in this post-cost measure further reduced the average to £689.

The average age of the child was similar across LAs, approximately 9 years. The number of children per household was stable at around 2.6, although slightly higher in LA6 (2.9). The number of non-dependants was low on average (0.2), consistent across LAs.

The presence of a partner was observed in approximately 40% of households, with somewhat higher proportions in LA4 and LA6 (around 50% in both). Overall, most households received employment income (80% on average), but this proportion was lower in LA5 and LA6 (near 60% in both).

Taken together, the descriptive statistics indicate that households in LA2 had relatively higher average incomes, whereas LA6 had lower income levels, higher poverty rates (once equivalisation adjustments were applied) and larger household compositions.

Table 3.4 Key variables in the linked data extract (2019-21) by LA

Average levels	LA1	LA2	LA3	LA4	LA5	LA6	All
Below poverty line	45.1%	34.0%	37.1%	33.3%	49.6%	52.0%	41.9%
Below poverty line (non-dep)	50.3%	37.5%	41.6%	40.8%	52.2%	57.1%	46.9%
Budget shortfall	17.7%	20.0%	26.4%	32.7%	15.3%	32.0%	24.1%
Equivalised income	£1,700	£1,849	£1,707	£1,798	£1,728	£1,564	£1,722
Equivalised income (non-dep)	£1,642	£1,808	£1,655	£1,716	£1,690	£1,512	£1,666
Equivalised income after cost	£735	£819	£682	£707	£768	£658	£727
Equivalised income after cost (non-dep)	£692	£791	£648	£655	£739	£622	£689
Child's age	8.7	8.5	9.6	9.3	8.3	9.1	8.9
Number of children	2.5	2.4	2.5	2.7	2.3	2.9	2.6
Number of non-deps	0.2	0.1	0.2	0.3	0.1	0.2	0.2
Partner (whether reported)	30.2%	41.0%	37.5%	45.2%	24.1%	54.7%	39.4%
Employment income (whether received)	76.7%	77.5%	99.0%	99.5%	56.7%	61.1%	78.8%

3.2. Association between financial precarity and CSC involvement

3.2.1. Referral to CSC

Table 3.5 presents the results of a logistic regression, examining whether financial precarity has a statistically significant effect on the probability of ever being referred to CSC during the study period (see Section 2.4.1). This analysis corresponds to the main specification, in which the measure of financial precarity was whether the child is living in a household below the

relative poverty line *without* considering the number of non-dependants in the income equivalisation (see Section 2.3.4). To check our results, additional analyses were carried out using two alternative measures: 1) relative poverty when the number of non-dependants was included in the equivalisation, and 2) when the household had a budget shortfall after estimating costs. Appendix Tables showing the output from these two measures can be found in Appendix 1, Tables 1.1 and 1.2.

Table 3.5: Financial precarity and referral to CSC: pooled logistic regression (average marginal effects)

	(1) Ever referred Unadjusted AME[1]	(2) Ever referred Adjusted AME[3]
Below relative poverty line (<= 60% median equivalised income)[4]	0.004	0.005
	(0.003)[2]	(0.003)
LA2[4]		0.017***
		(0.005)
LA3		0.080***
		(0.007)
LA4		0.019***
		(0.005)
LA5		-0.046***
		(0.004)
LA6		-0.006
		(0.005)
Year = 2020[4]		0.003***
		(0.001)
Year = 2021		0.001
		(0.001)
Year = 2022		-0.006***
		(0.002)
Child's age		0.002***
		(0.000)
Number of children in household		0.015***
		(0.001)
Number of non-dependants in household		0.011***
		(0.002)
Claimant has a partner[5]		-0.066***
		(0.004)
Any employment income		-0.010**
		(0.004)
Observations	2,094,600	2,094,600

Notes:
[1] AME: Average marginal effects from pooled logistic regression models (percentage-point change in predicted probability). [2] Standard errors in brackets are clustered at the household level. [3] Model (2) includes local authority and year fixed effects and controls for child age, household composition, partnership status, and employment income. [4]Reference categories: not below poverty line, LA1, and 2019. [5] For binary covariates, the reference group is 0 (e.g. no partner; no employment income).
*** p<0.01, ** p<0.05, * p<0.1

The main finding from this analysis is that children living in financial precarity were not necessarily more likely to be referred to CSC services than those from other households. There was considerable variation across LAs, leading to mixed results. For all LAs, the predicted probability of ever being referred was 10.5% for children below the poverty line, compared with 10% for those above it. This corresponds to a difference in predicted margins of 0.5 percentage points, which is consistent with the marginal effects reported in Table 3.5 (top row). However, this result is not statistically significant. Across all three specifications (i.e. measures of financial precarity), the estimated effects (on the probability of children from financially precarious households ever being referred to CSC) were small and inconsistent.

When financial precarity was defined as experiencing a budget shortfall, a small but statistically significant decrease in the probability of ever being referred to the CSC system was observed (see Appendix Table 1.2). However, when using the relative poverty line measure, and including the number of non-dependants in the equivalisation, there was a small but significant increase in the probability of ever being ever referred (Appendix Table 1.1) Given the mixed evidence across these specifications, the results should be interpreted with caution.

Appendix 1, Table 1.3 and 1.4 presents a similar analysis in which equivalised household income is included as a continuous explanatory variable, rather than using the binary income measures employed in the main analysis. When using equivalised income, we find effects that are small in magnitude and statistically significant: a 1% increase in equivalised household income is associated with a 0.01 percentage-point decrease in the probability of ever being referred.

We then repeated the analysis using equivalised household income after housing costs, restricting the sample to families with positive post-cost income for interpretability. In this case, we found a small statistically significant and positive association: a 1% increase in equivalised household income after housing costs was associated with a 0.006 percentage point increase in the probability of ever being referred. This estimate should be interpreted with caution, as the analysis is conditional on positive post-cost income and therefore excludes households with zero or negative resources, a group likely to differ systematically in both income dynamics and CSC involvement.

A final sensitivity test was to use a narrower observation window for CSC referrals. While our main specification concerned whether a child was ever referred within the full three-year study period, this alternative model examined the probability of referral only within the active CSC episode and the six months immediately preceding a referral. The focus was therefore on financial circumstances and income fluctuations leading up to contact with CSC services and during the intervention itself. Carrying out this analysis with our primary measure of financial precarity yielded no significant results, which was consistent with the findings from our main estimation.

3.2.2. Re-referral to CSC

Further analysis examined whether financial precarity affected the probability of being re-referred to CSC. This analysis yielded more consistent and clearer results, in terms of both magnitude and direction, compared with the findings on all referrals. Children living in financial precarity were found to be more likely to be re-referred than those from other households. Regression outputs are presented in Appendix 2. The results showed that the predicted rate of re-referral for children living below the relative poverty line was 3.5 percentage points higher than for children from other households (32.6% compared with 29%). This result remained statistically significant even after controlling for family and child characteristics. When restricting to re-referrals within 12 months, the statistically significant difference persisted: the predicted probability of re-referral was 32% for children below the poverty line, compared with 28.7% for those above it.

3.2.3. CSC interventions for children referred

The next step was to assess whether living in financial precarity affected CSC interventions following referral. Separate logistic regressions were estimated for each category of provision (see Section 2.4.2). Across all analyses, the most consistent and robust result concerned the likelihood of being subject to a CP plan. Children living in financial precarity were significantly more likely to be placed under a CP plan than those from other households.

Table 3.6 presents the marginal effects of experiencing financial precarity on the probability of being assessed in each of the four mutually exclusive CIN categories. It uses our main definition of financial precarity—whether a child belongs to a household below the relative poverty line, without accounting for the number of non-dependants in the equivalisation process. Appendix Tables showing the same analysis using alternative measures of financial precarity can be found in Appendix 3.

Table 3.6 Marginal effects of being below the relative poverty line on CSC interventions following referral.

VARIABLES	NFA		No CIN		CIN no CPP		CIN CPP	
	Model 1 (unadj)	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**
Below relative poverty line (<= 60% median equivalised income)	-0.003	-0.002	-0.008	-0.018	-0.026**	-0.012	0.037***	0.031***
	(0.004)	(0.005)	(0.011)	(0.012)	(0.013)	(0.013)	(0.009)	(0.009)
Observations	215,868	211,891	215,868	211,891	215,868	211,891	215,868	205,631
Child and family controls	No	Yes	No	Yes	No	Yes	No	Yes

Notes:
AME: Average marginal effects from pooled logistic regression models (percentage-point change in predicted probability). Standard errors in brackets are clustered at the household level.
*** p<0.01, ** p<0.05, * p<0.1

Table 3.6 shows that children living below the relative poverty line experienced a statistically significant increase in the probability of being subject to a CP plan (CIN-CPP). Specifically, the predicted probability of a CIN–CPP intervention for children below the poverty line was 13%, compared with 9.9% for those above it—representing a 3.1 percentage point higher likelihood for children living in financial precarity. The magnitude and statistical significance of this effect remained consistent when applying the alternative definitions of financial precarity (see Appendix 3).

To contextualise this estimate, our dataset contains around 15,690 episodes (referrals) between 2019 and 2021. Note that a single episode can remain active for the entire period but still counted as one episode. Of these 15,690 episodes, 10,140 involved children who were ever below the poverty line (meaning were below the poverty line in at least one snapshot in our sample), while 5,550 involved children who were always above it (never below the poverty line in any snapshot).

Applying our estimate proportionally to the 10,140 episodes associated with children ever below the poverty line suggests that the six LAs would have experienced approximately 300 fewer CP plans if all children had been above the poverty line. Table 3.7 summarises the estimates, broken down by LA.

Table 3.7 Number of episodes in the sample by LA

LA ID	Total episodes	Episodes children ever above the poverty line	Episodes children ever below the poverty line	Estimates of extra CPP plan
LA 1	3,800	1,330	2,460	70
LA 2	2,770	1,170	1,600	50
LA 3	2,950	1,110	1,840	60
LA 4	3,060	1,300	1,760	50
LA 5	990	300	700	20
LA 6	2,130	350	1,780	50
Total	**15,690**	**5,550**	**10,140**	**300**

Note: numbers rounded to the nearest 10

Additionally, there was some indication of a complementary pattern in the marginal effect of financial precarity on the probability of being assessed as a child in need (CIN) with no CP plan at any stage (CIN-no CPP). Before adjusting for child and family characteristics, a statistically significant (at the 10% level) decrease in the probability of being assessed as a CIN–no CPP case was observed for children experiencing financial precarity (on all three measures). However, this effect disappeared once child and family characteristics were included in the regression. For the other categories of provision —specifically, NFA after referral and assessed not-CIN — no statistically significant results were observed.

A further sensitivity analysis was conducted. In this specification, we included only the income information from active episodes and the six-month period preceding the referral. This contrasts with our primary specification in Table 3.6, which incorporates all income data from the full three-year study window. The results of this analysis, presented in Appendix Table 3.3, are consistent with our main findings but greater in magnitude. This underscores the heightened relevance of financial circumstances in the months immediately surrounding a CSC episode.

3.2.4. CSC interventions for children re-referred

Further analysis of CSC interventions was undertaken for the subsample of children who were referred to the CSC system more than once. Regression outputs are presented in Appendix 4. These results were consistent in direction with the previous findings: there was an increase in the probability of being assessed as a CIN–CPP case for children living below the relative poverty line. When child and family characteristics were included in the regression (column 8), the predicted probability of a CIN-CPP intervention was 15.3% for children below the poverty line, compared with 12.4% for those above it, representing a statistically significant marginal effect of 2.9 percentage points. Supplementary analysis for the other specifications showed a similar direction and magnitude of effects, which was statistically significant for the alternative relative poverty measure but not for the budget shortfall measure.

3.2.5. Changes in household circumstances

Throughout this analysis, we also aimed to study how within-household changes in circumstances affected the likelihood that a child is referred to CSC – in other words, whether these changes trigger a new referral for the child. To do so, we used longitudinal data on children's social care (CSC) involvement and household characteristics (further details on the methodological specification can be found in Appendix 13).

Table 13.1 on Appendix 13 presents the estimated effects of different household changes in circumstances on the likelihood of being referred and assessed by CSC services. Each column represents a separate regression model (1-6), in which the dependent variable indicates whether the child received a social work assessment in a given month. Each model focuses on one specific type of household change, and the main variables of interest were: *Change A*, *Change B*, and *Change A and B*. These capture whether a household experienced the corresponding transition (A, B, or both) within the six months preceding the observation. All models include controls for employment status, poverty status, household composition, and child age, as well as fixed effects for socio-demographic characteristics such as the child's ethnic group and gender, month–year fixed effects, and LA controls.

It is important to note that the estimated odds ratios capture monthly changes in the likelihood of a referral occurring within our observation window following a change in circumstances. Consequently, the sample size used in these regressions is considerably smaller than that of the overall analysis. Likely due to this reduced sample, none of the regression results reached statistical significance. However, it is worth noting the positive correlation between households experiencing a transition to single parenthood and the probability of a referral. These results, although not significant, align with findings from other authors who have conducted similar analysis over much longer periods of time. For instance, Hemler et al. (2023) also reported an increased risk of referral following a transition in the parent's relationship status.

This exercise demonstrates that while this type of analysis is feasible, a longer observation period might be required to achieve statistical power, particularly when accounting for complex transitions in family circumstances.

3.3. Impact of the UC uplift

This section presents findings on the impact of the UC uplift on: 1) whether a child lives below the relative poverty line; 2) is referred to CSC, and 3) what type of CSC intervention follows a referral.

3.3.1. Characteristics of the panel

Panel characteristics are summarised in Table 3.9, which shows the mean values for key indicators. Minimum and maximum values for these variables are additionally presented in Appendix 5. Before the uplift, the proportion of children living below the relative poverty line was similar between control and treated households (40% in both cases). When including non-dependants in the equivalisation, the share of uplift-eligible households below the poverty line rose to 70%, compared with 40% among non-eligible households. Budget shortfall—defined as equivalised income falling short of total household costs—was lower among uplift households (20%) than in non-uplift households (30%).

Table 3.9 Panel characteristics - uplift and non-uplift households

Average levels	Mean	
	No uplift	Uplift
Below poverty line	40%	40%
Below poverty line (non-dep)	40%	50%
Budget shortfall	30%	20%
Equivalised income	£1,741	£1,746
Equivalised income (non-dep)	£1,693	£1,704
Equivalised income after cost	£686	£760
Equivalised income after cost (non-dep)	£655	£730
Number of children	2.4	2.3
Number of non-deps	0.2	0.1
Partner (whether reported)	30%	30%
Employment income (whether received)	100%	60%

Average equivalised income was comparable across groups, at £1,741 for no-uplift households and £1,746 for those receiving the uplift. This remains true when accounting for non-dependants. The mean income for treated households (£1,693) was similar to the non-eligible group (£1,704). Once household costs were considered, uplift households exhibited slightly higher average equivalised income after costs (£760) compared with the non-uplift group (£686). The same pattern is observed when accounting for non-dependants in the equivalised income after cost.

Regarding household composition, both groups had a similar average number of children (2.3–2.4), partner presence (30%) and number of non-dependants on average (0.2 versus

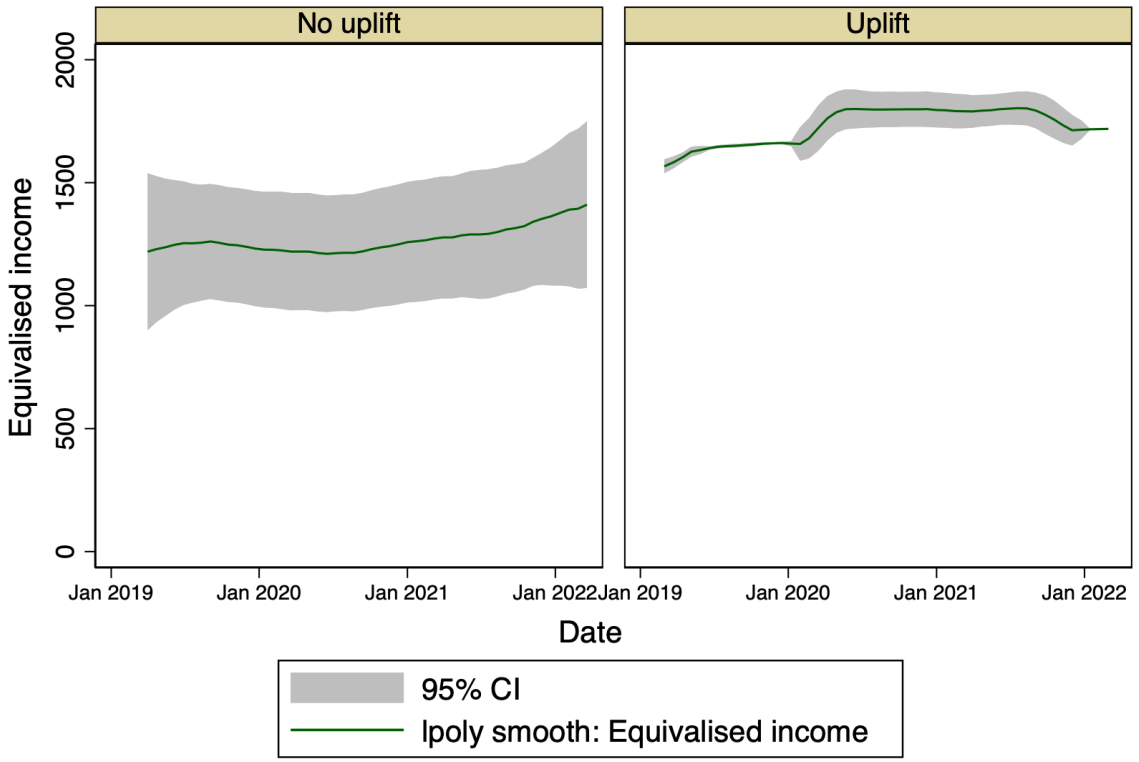
0.1). Employment income was present in all non-uplift households but in only 60% of uplift-eligible ones.

Overall, these descriptive statistics show that the treated and control groups were broadly comparable in demographic characteristics, though uplift-eligible households displayed lower employment income, a factor that may partly explain their greater exposure to financial vulnerability prior to the uplift.

3.3.2. Descriptive income trends

Figure 3.1 illustrates the descriptive trends in equivalised income for the difference-in-differences (DiD) analysis, comparing the sample of households eligible for the uplift (treated group) with those that were not (control group). Prior to the uplift, both groups followed broadly similar income trajectories. After April 2020, when the uplift was introduced, a visible increase in equivalised income was observed among treated households, while income levels for the control group remained largely stable, suggesting an immediate and sustained effect of the policy.

Figure 3.1 Equivalised income by treatment groups, average and confidence intervals



3.3.3. Impact on financial precarity

Table 3.10 presents the marginal effects from the difference-in-differences (DiD) analysis of the effect of the UC uplift on the probability of being below the relative poverty line. This table reports on our main specification, which does not account for the number of non-dependants in the equivalisation when calculating the relative poverty line. Appendix Tables showing the results from the two alternative specifications can be found in Appendix 6. Overall, the analysis shows that children from households receiving the uplift were less likely to experience financial precarity. The predicted rate of children below the relative poverty line was 16.7 percentage points lower for those from uplift-eligible households compared with non-eligible households, and this difference remained statistically significant even after controlling for covariates (see Table 3.10, Model 2). The parallel trends assumption was met (see Appendix 7), supporting the assumption that uplift and non-uplift groups were exhibiting parallel income trends prior to the policy.

Table 3.10 DiD marginal effects of uplift on the probability of being below the relative poverty line

VARIABLES	**Model 1** **Below poverty line (unadj)**	**Model 2** **Below poverty line (fully adj)**
Treated	0.117***	-0.071***
	(0.012)	(0.010)
Time	0.087***	0.127***
	(0.019)	(0.016)
Interaction	-0.147***	-0.167***
	(0.021)	(0.018)
Year = 2020		-0.007*
		(0.004)
Year = 2021		0.012***
		(0.005)
ID LA = 2, LA 2		-0.118***
		(0.009)
Child's age		0.003***
		(0.001)
Number of children		0.076***
		(0.005)
Number of non-deps		0.021**
		(0.009)
Partner		0.073***
		(0.011)
Employment income		-0.413***
		(0.007)
Observations	389,658	389,658
Model	No controls	Controls

Standard errors in parentheses
**** p<0.01, ** p<0.05, * p<0.1*

To explain the 16.7 percentage point DiD estimate: among uplift-eligible households, the proportion below the relative poverty line decreased from 41% before the uplift to 37% during the uplift period—a 4 percentage point decline. In contrast, among non-eligible (control) households, the proportion increased from 48% to 61%, representing a 13 percentage point rise. The difference between these trends corresponds to the estimated 16.7 percentage point relative improvement for uplift-eligible households.

3.3.4. Impact on referrals to CSC

The next stage in analysis was to identify the DiD estimate of the probability of being ever referred to CSC. Outputs from this analysis are presented in Appendix 8. Children from households receiving the uplift were found to be more likely to be referred to CSC services. The predicted probability of being referred to CSC was 2.8 percentage points higher for uplift-eligible households during the uplift period, relative to what would have been expected in the absence of the uplift (i.e. the counterfactual trend in the non-uplift group), controlling for covariates. The parallel trends assumption was met, supporting the assumption that uplift and non-uplift groups were exhibiting similar referral trends prior to the policy (see Appendix 8).

This means that among uplift-eligible households, the proportion of children referred to CSC increased from 4.0% before the uplift to 5.9% during the uplift period—a 1.9 percentage point rise. In contrast, among non-eligible (control) households, the proportion decreased from 8.9% to 8.2%, representing a 0.7 percentage point decline. The difference between these trends yields the estimated 2.8 percentage point relative increase for uplift-eligible households.

3.3.5. CSC interventions

Table 3.11 presents the results from the DiD analysis for each of the mutually exclusive CSC intervention types for which the parallel trends assumption holds. The parallel trends assumption (see Appendix 9) was met for the *Not-CIN* and *CIN-no-CPP* categories but not for the *CIN-NFA* and *CIN-CPP* categories. Therefore, the DiD results for these two categories should not be considered valid.

Focusing on the two categories where the parallel trends assumption holds, Table 3.11 shows statistically significant effects. Specifically, children from uplift-eligible households were more likely to be assessed as *Not-CIN* cases and less likely to be assessed as *CIN-no-CPP* cases. In both instances, the differences remained statistically significant after controlling for covariates.

For children with *Not-CIN* cases, the proportion among uplift-eligible households increased from 30% before the uplift to 33% during the uplift period — a 3.4 percentage point rise. In

contrast, among non-eligible (control) households, the proportion fell from 32% to 13%, representing an 18 percentage point decline. The difference between these trends corresponds to an estimated 24 percentage point relative increase for uplift-eligible households, which can be observed in Table 3.11.

Table 3.11 Difference in Difference – Effect of uplift on threshold of CSC provision following referral. Marginal effects.

	No CIN		CIN no CPP	
Variables	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**
Treated = 1, Uplift	-0.066	-0.016	0.050	0.023
	(0.048)	(0.041)	(0.047)	(0.038)
Time = 1	-0.216*	-0.234**	0.128	0.157**
	(0.113)	(0.098)	(0.088)	(0.076)
Interaction = 1	**0.232****	**0.244*****	**-0.160***	**-0.173****
	(0.090)	**(0.086)**	**(0.089)**	**(0.077)**
Observations	18,996	16,185	18,996	18,996
Model	No controls	Child + Family controls	No controls	Child + Family controls

*Standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1*

Conversely, for children with *CIN-no-CPP* cases (those assessed as in need but not placed under a protection plan), the proportion among uplift-eligible households decreased from 61% before the uplift to 59% during the uplift period—a 2 percentage point decline. Among non-eligible households, the proportion rose from 59% to 74%, a 15 percentage point increase. The difference between these trends translates to an estimated 17 percentage point relative decrease for uplift-eligible households, as shown in Table 3.11.

3.4. Family and professional perspectives and experiences

Quantitative findings were considered alongside the findings from qualitative interviews and focus groups. Themes from the analysis of transcripts are presented below in relation to three main areas of enquiry: what precarity means to families and professionals, what kinds of support were provided by services, and how this support was perceived and experienced.

3.4.1. What ‘precarity’ means to families and CSC professionals

To develop understanding of what precarity looks like in the context of families with experience of children’s social care, we began our qualitative fieldwork by asking what

precarity meant for our participants drawing on their lived and professional experiences. Across all four groups, these definitions sometimes merged precarity with poverty, with precarity being seen as synonymous with, or an off shoot or consequence of, chronic poverty. Some in the parent/carer and young people's panels were unfamiliar with the term precarity and researchers offered some alternative descriptions of the concept on which panel members were able to expand based on their experiences. However, in common across the groups there was a shared set of characteristics of precarity which included: difficulty making ends meet, debts and loans, coping with the increasing cost of living, the expense of childcare, insecurity of housing, and the compounding impacts of physical and mental health issues or disability. Often precarity was referred to as being part of a cycle, for example mental health worsening with money worries with a knock-on effect on capacity to work and family wellbeing, or childcare expenses or responsibilities preventing parents from taking up work opportunities that could provide their family with more financial stability (see Box 3.1).

Box 3.1

"It causes a lot of stress in the family with parents fighting over money, paying bills, any type of bills - water, electric, anything like that - could lead to the child just not feeling happy in general. I feel like because of just one thing it causes a domino effect on everything that happens in the house." (Young Person panel)

"If you've got a family already struggling financially, but then you're struggling with a child that has special needs, then that's essentially going to put you further into poverty." (Parent Panel)

For parents and carers particularly, precarity was also seen as directly linked to the benefits system. Whilst a financial lifeline for families, the benefits system was described by many as exacerbating the stressors for families in financial precarity. The processes of applying for, and maintaining, benefits were often described as complex to navigate and highly punitive. The risk of making a mistake – such as breaching the limit of the carer's allowance – could have serious repercussions for a family, including temporarily losing a key source of income. CSC professionals also struggled to navigate the complexities of the system on behalf of families – describing how the shift to online portals and the limited ability to speak to someone from DWP about queries and delays in benefit claims had made it more difficult, or impossible, for them to provide support. Parents and carers described the constant anxiety of receiving a 'brown envelope' threatening further financial trouble for a family, and the feeling that income from benefits could not be relied on in the same way as a wage from an employer (see Box 3.2). The fear of sanctions or missed payments due to administrative errors weighed heavily on the parents and carers we spoke to.

Box 3.2

"If the government changes their mind, changes the rules, changes how things are done, you don't have any of the rights. If you had an employer, they couldn't one month decide to pay you £1,000 less than they did last month. You'd have rights with that, whereas with benefits, you are subject to whatever changes that they have... they stopped my benefits and said I was committing benefit fraud as claiming as a single parent, and that they could literally just stop it, just stop it while they investigated without any regard of how I was going to then cope with that. The debt, and the difficulties, and the stress that that put me under... What you're saying is that you're in such a tenuous situation, and it is very true, because the benefits, it's never really guaranteed. They can just make a mistake."
(Parent panel)

"I'm terrified of brown envelopes coming through the door! Even now, I'm terrified of those envelopes because you know it's from the government, and you don't know what it is that they're going to say. Are they going to say they've overpaid you? Do they need to claw something back? Are they going to accuse you of not telling them something? You have that fear because you are subject to whatever it is they want to do."
(Parent panel)

The discussions also explored how financial precarity may be linked in complex and multi-faceted ways to child welfare issues that may require involvement with CSC. Across the panels, it was recognised that financial difficulties may have multiple knock-on effects for families. This included examples such as: heightened stress between parents, including potential for emotional abuse or domestic violence; parental substance abuse as a coping mechanism; instability in accommodation that might lead to homelessness and higher frequencies of school absence; missed child medical or dental appointments due to transport costs. Financial struggles were seen to exacerbate existing welfare issues within families. They were also often described as creating 'tipping points', leading to a domino effect whereby a worsening financial situation can further spiral into other issues, such as relationship breakdowns, mental health issues, housing instability etc. These in turn were seen as having direct or indirect impacts on children, including on health, welfare, school attendance, and emotional and material needs. Whilst this deep and complex relationship between financial precarity and welfare issues was described by the panels, the young people and parent/carers also cautioned against conflating the two (see Section 3.4.3).

The groups also discussed what they saw as the protective factors that might enable families to cope with or weather periods of financial pressure. This included: having an awareness of entitlements to benefits and other sources of financial support to maximise

income; having financial skills around budgeting and managing debts; having access to informal support networks, such as family members, who could provide financial or other forms of support (e.g. childcare). Professionals were also particularly aware of the impact for families of living within wider family networks or communities where everyone is also financially precarious. This was seen as limiting opportunities to call on family or friends for financial help or to have local access to suitable housing stock.

3.4.2. Providing support for families experiencing precarity in CSC

Across our practitioner and manager panels, financial precarity was seen as a significant challenge for CSC services. Both groups described how 'financial need' in families has become increasingly prevalent and has contributed to increased demand for CSC services. This was viewed as resulting from a combination of austerity in family services, the increased cost of living (e.g. food and energy bills), and the ongoing repercussions of the Covid-19 pandemic (see Box 3.3). Many were keen to emphasise this broader financial context and its impact on families' incomes, but also on CSC services and the kinds of support that they can provide within constrained budgets. CSC was described by both panels as being a default frontline for supporting families with the impacts of financial need, but often with limited means and resources to address the underlying issues.

Box 3.3

"Why has there been such an increase in need for families and the demand for services? There's lot of conversations around, is it fallout from COVID? Is it cost of living crisis? Is there something else? We're always having those conversations to try and understand more what is leading to this trend." (Manager panel)

"After COVID, people haven't recovered fully, so you see how people are facing a lot of challenges." (Practitioner panel)

Both panels described how poverty and financial hardship were commonly treated as risk factors in CSC services, but that the language and framing was often of parental responsibility and neglect. Practitioners spoke about how an escalation to neglect was sometimes the only recourse to access support for a family, often due to lack of funds to offer support aimed at preventing escalation in need. Signposting benefits, and supporting families with benefits applications, were viewed as some of the limited means by which CSC practitioners could support financially struggling families. Often, however, with the caveat that it relied on a practitioner having the time, knowledge, skills and resources to provide this support outside of their prescribed remit. Across both panels there was a strong theme of CSC being powerless to support families at a point where addressing

financial need at an earlier stage might make a difference in preventing escalating of need in the longer term. In a stark example we also heard how unmet financial need, and delays in the welfare benefits system resulted in health services providing support (see Box 3.4). This highlights the cascading effect of financial need and its impact on other public services. When we showed the panels graphs from the study illustrating the income differences between families with and without a CSC referral, one participant remarked on how small differences in income appeared to make a significant difference to likelihoods of being referred to CSC.

Box 3.4

"my clients [...] they won't have a lot of money, but if you add up what you should get on Universal Credit with a disabled child, and the DLA they'll get, if you're able to get it all, your head will just come above water, but it's so hard to get it. It does mean that it's going towards neglect and child protection, using up getting all professionals in a room, using up child protection advisers. It's a very expensive process, when underneath, if that family had money, they wouldn't be there at all. I had one child. In the end, it took so long that they got seen quicker by an NHS dietician and given liquid food, Fresubin, than they could get benefits to get food on the table." (Practitioner panel)

"So when I think of the front door and how we receive referrals in my part of the system, hardly is poverty mentioned [...] The referral, that's come typically from school who have identified that they're concerned that the children are in uniforms that are, you know, just way too small for them, or they're sleeping in lessons, complaining of not eating, etcetera [...] Could this be because there isn't enough money in the home or could this be a more obvious evidence of neglect, parental neglect" (Practitioner panel)

A key focus of discussions was what information was available to CSC services about the financial circumstances of families, and whether more information was seen as desirable in providing them with support. For practitioners, their contact and visits with families were viewed as their primary means of gathering information on their financial circumstances. This included both what was observed on home visits and through disclosures by parents. According to practitioners, parents were often forthcoming about their financial situation and might directly appeal to CSC for help. Practitioners repeatedly emphasised the importance of relationships of trust between practitioners and service users, and the potentially negative impact on that trust of having information on a family's financial circumstances that they hadn't volunteered.

Similarly, managers described at a strategic level that there was no dearth of information on families' financial need within their LAs, but rather a lack of means to support the financial needs of those families due to cutbacks in funding. This has included reductions in funds available for LAs to support families, including the ability to top up Disabled Facilities Grants and access to petty cash, such as to help parents' with bus fares for appointments etc. Both panels were presented with several scenarios for improving information on families' financial circumstances within CSC, including information at an area and household level on income and benefits. The only scenario that was positively received was to have an alert to indicate to a social care professional where a family they were working with might not be receiving all of the benefits they were entitled to.

Box 3.5

"If people think social workers are linked to the DWP, and we're putting data in about them, it will make our job a lot harder. I think it could create safeguarding issues, because they will have to protect themselves by not giving us information. So we can't be agents of that part of the state. We can only be agents of the part of the state we're involved with." (Practitioner panel)

"I have to build trust, build a relationship and open the conversation around finances with the family [...] as a social worker they typically don't want involved in their lives [...] additional access perhaps to their finances may cause, may impact actually, the kind of relationship based empathic, co-creative space that I'm trying to achieve in the long term." (Practitioner panel)

3.4.3. Experience of support for precarity in CSC

Across the parent/carer and young person panels, there was a broad agreement that a family's financial circumstances had a significant bearing on how they would be perceived by CSC services. The parent/carer panel gave examples of feeling judged by some social workers they had encountered, based on their income and receipt of benefits (see Box 3.6). Many felt that a family's financial situation predisposed social workers to perceive them as a potential welfare risk, and that there was a stigma to being on benefits that could shape practitioners' judgements about a family. Some felt that policy narratives geared at getting people into work had meant there was a growing lack of nuance around those who might want to work but were unable to due to health, disabilities or childcare.

Box 3.6

"I went with two different parents to court when their children were being removed. In both cases, it was mentioned that they were on benefits, as a negative. You think, what decade are you living in?" (Parent panel)

"So my mum was really poor. She had no money, single parent, basically on less than £7,000 a year which is ridiculous looking at this day and age now, on benefits. My dad on the other hand was a business owner, had a wife, two incomes, but yet both places were unsafe" (Young person)

Poverty is not a - I don't know what the right word is! It's not a precursor to neglect. Neglect is neglect on its own. All sorts of people neglect their children. (Parent panel)

The parent/carer panels described the sensitivity of being asked about their financial circumstances by CSC practitioners, and the concern that any information shared or volunteered may be used against a family at a later point. This was underpinned by negative experiences and perceptions of how social workers or courts might justify negative assumptions about families based on evidence that was taken out of context.

Both the parents/carers and young person panels were generally cautious about the idea of CSC services having more information on a family's financial circumstances. Whilst some felt there were potential positives to anonymised linkage of benefits/income and social care data in research to inform policy or systems change, there was much less appetite for this data linkage to be translated to the level of the individual and service delivery. The young person panels particularly focused on concerns around privacy, respect and dignity for those in financial precarity. For the parent/carer panels there were concerns about the potential misuses of financial information to make judgements about a family (see Box X). In the second parent/carer and young people panels, members were generally positive about the prospect of findings of this particular study leading to positive change for families. This suggests linkage of data at a national level for research purposes may be less of a concern for these groups than routine linkage at the service level.

Box 3.7

“I think it's important to know that they're human, and their privacy is still needed. Obviously, you need to know who has used the food bank to be able to ask for more support if they need more food and stuff, but I think they should still be really, really careful to still allow people to have privacy.” (Young person panel)

“I'm of the opinion that I don't want my local council to have any information about me in general, apart from the basics which they need, but especially financial information, because I know that information. Well, for example, in the context of my sister, I know, through our experiences, they're not going to use that information objectively. It's almost like having information to use against you.” (Parent panel)

The parents/carers panels described how help or advice offered by CSC services could be well-meaning but not always useful or practicable. Many expressed frustrations with interventions focused on parental responsibility for improving their families’ situation, particularly when financial circumstances were out of their control. For example, some on the parents/carers panel described how caring responsibilities often left them with limited opportunities for taking up suitable paid work, which was further compounded by steep childcare costs. Advice on benefits and budgeting were also sometimes perceived to be out of alignment with the lived realities of living in financial precarity, particularly those caring for children with disabilities. Parents were sceptical of the prospects of existing CSC services meaningfully supporting them with such issues owing to perceived cutbacks in preventative services (see Box 3.8).

Box 3.8

“I don't know how much money these people think families get, to be honest, because it seemed like a never-ending list. 'Oh, well, the DLA will pay for that. Oh, well, the DLA pay for that.' Well, it's a set amount of money, which actually research has already shown that, actually, it's a drop in the ocean, isn't it, compared to the actual costs of stuff, particularly specialist equipment.” (Parent panel)

“I always say it's the David Attenborough approach, where they say, 'Here, we see a struggling parent.' You know?! Whereas, actually, they don't do anything to help; they just note it down that you're struggling. Then removal of the child becomes the only thing that's left in their arsenal, because they don't have any money to do all the preventative stuff they would have done.” (Parent/carer panel)

When asked what forms of direct support would be helpful for families, both panels described more direct forms of financial support, including help with income maximisation and improved funding support for childcare.

4. Discussion and implications

The findings provide important new insights into the relationship between financial precarity and children's involvement with child welfare services. They point to the benefits of direct material assistance in attenuating financial hardship and potentially reducing the likelihood of protective interventions. They also highlight the need to think carefully about how information about household finances is used and acted on. In what follows, the implications of these findings are discussed in relation to six key areas for policy and practice: 1) tackling financial hardship in CSC; 2) the case for material assistance to families; 3) prevention, family help and poverty reduction; 4) stigma and suspicion in the investigative state; and 5) income, benefits and social policy. Nonetheless, several limitations should be acknowledged.

4.1. Income, benefits and social policy

Although this study has focused on CSC, its implications extend beyond the sector to wider fiscal and social policy issues. As outlined in Section 1.3, there is evidence that policies that negatively affect the income of poorer families lead to higher levels of child welfare involvement, whereas policies that improve family finances will reduce demand. Yet the direction of policy in England has often ignored this evidence. The two-child limit on benefits that was imposed on families from 2017-26 disproportionately affected larger families already vulnerable to poverty, undermining children's wellbeing (Andersen *et al.*, 2025). Proposed restrictions on disability benefits are likely to exacerbate hardship among families while failing to achieve their goal of improving access to employment (McCartney *et al.*, 2025). Parents with disabilities are overrepresented in child protection systems and face additional barriers in communication and inclusion (Albert and Powell, 2021; Franklin *et al.*, 2022; LaLiberte *et al.*, 2024). Welfare designs and policies that worsen the financial position of already vulnerable households serve only to compound inequalities and increase levels of child welfare involvement. Conversely, policies that lift families above the poverty line should serve to reduce maltreatment risk and demand for services. Our analysis of the UC uplift illustrated how even temporary increases can improve outcomes. A strategic shift towards supportive welfare policies would therefore serve not only anti-poverty goals but also child protection objectives.

4.2. The case for material assistance to families

International evidence suggests that financial precarity increases children's exposure to the child protection system, while modest increases in material support can reduce this risk (see Section 3.1). In England, evidence based on child- and household-level data has been

scarce. However, this study contributes by showing two things: first, that children below the poverty line were more likely to be subject to CP plans after referral, and second, that improvements in household finances during the Universal Credit uplift reduced the likelihood of CP involvement and increased the likelihood of children being supported at lower thresholds (CIN rather than CP). The subsequent withdrawal of the uplift worsened financial insecurity, underscoring the link between income shocks and child welfare outcomes.

These findings have cost implications for CSC services, although our study did not carry out an economic analysis. For example, we found that the six LAs in our study would have seen around 270 fewer CP plans if all the children referred to CSC had been above the poverty line (see Section 3.2.3). A 2020 evaluation of family safeguarding services in Hertfordshire, which updated the cost calculation produced by Holmes *et al.* (2010), estimated the unit cost of a CP plan to be £13,274 (Rodger *et al.*, 2020). This figure is not directly applicable to the LAs in our sample, whose unit costs may have been different. However, as an indicative estimate it is worth noting that the cost of 270 CP plans based on Rodger et al. (2020) would come to around £3.6 million – the equivalent of 1% of total expenditure on child safeguarding by our six LAs over the three years[1]. This does not include any costs associated with out-of-home care provision, nor the cost of services for children below the poverty line who were not in our sample. On a national scale, there are 2.3 million children living below the poverty line, based on the measure used by this study (HMRC, 2023), and a significant proportion of them will be referred to CSC services at some point in their childhood (Jay *et al.*, 2025). It is therefore reasonable to suggest that considerable costs are being incurred by child welfare services, as a result of providing protective interventions to children living in poverty.

The findings also support arguments that living below the poverty line should be seen as a child welfare issue, not just an economic one. Improving the financial circumstances of families living in poverty has been found effective in reducing child maltreatment risk (Paxson and Waldfogel, 2003; McCartan *et al.*, 2018; Bennett *et al.*, 2020). Even a temporary boost to income, as with the UC uplift, has been associated with reduced CP involvement, suggesting that direct financial support can operate as a protective factor (Congreve *et al.*, 2024). International evidence strengthens this case. Cash transfer programmes in Latin America have consistently improved child outcomes, reducing health risks and maltreatment (Fernald *et al.*, 2008; Paxson and Schady, 2010). Longer-term studies in the US show sustained benefits in education and health for children who received additional household income (Aizer *et al.*, 2016). Scoping reviews likewise show positive impacts of basic income pilots on health and wellbeing, with little evidence of disincentives to work (Van Daalen *et al.*, 2022; Gibson, 2024).

[1] Source: https://webb.shinyapps.io/cwip-app-v2/

UK initiatives are beginning to explore this terrain, such as the basic income pilot for care leavers in Wales (Mathur *et al.*, 2025) and financial support to people experiencing homelessness in England (Geraghty, 2025). The findings here provide strong support for extending such experimentation to families involved with CSC. Given the political sensitivities surrounding welfare expansion, policymakers may hesitate to fund such policies, but evidence shows that direct material support improves child wellbeing without adverse effects on employment. A targeted trial of unconditional cash transfers or basic income for families referred to CSC could provide rigorous evidence of effectiveness, building on the insights of this study.

Beyond direct financial assistance, the findings provide a strong rationale for income maximisation as a preventative strategy to reduce risks to children's welfare and associated demand for statutory services. A recent report has shed light not only on the huge scale of unclaimed support for which households are already eligible, but also the ways in which targeted action can make a difference (REF). The authors estimate that £24.1 billion in income related benefits will have gone unclaimed in the UK in the current financial year (2025-26). The highest unclaimed amounts are in Universal Credit, Council Tax Support, and Carer's Allowance, partly due to the migration to UC from legacy benefits (see Table 2.1). At the same time, there is evidence that targeted campaigns to increase awareness, reduce complexity and tackle stigma can be effective ways to improve take-up, while initiatives to simplify and streamline claims processes can also help to maximise household income in deprived areas and among disadvantaged groups.

4.3. Tackling financial hardship in CSC

While national fiscal and social policies are a powerful lever to improve the socio-economic situation of families, local government services including child welfare are often at the vanguard of society's response to poverty, deprivation and inequality. The findings highlight that financial hardship was a consistent, pressing and dynamic issue for families referred to CSC. Failure to address this hardship was perceived to be exacerbating family stress and to be increasing demand on frontline services. While tackling child and family poverty ultimately requires national policy leadership, it must also be recognised as core business for child welfare professionals.

Social workers and other children's practitioners are well aware of the role of poverty in the problems faced by families. Although the impact of economic hardship on children's needs and parenting capacity is often underplayed in CSC assessments (Jack and Gill, 2003), recent shocks – austerity, the Covid-19 pandemic and rising living costs – have made the relevance of socio-economic factors undeniable (Morris *et al.*, 2018). Awareness, however, does not always translate into action. The nature of CSC provision has changed, having become increasingly interventionist with fewer resources available for prevention and

family support (Hood and Goldacre, 2021). The qualitative findings illustrate practitioners' frustration at recognising poverty as a key driver of safeguarding concerns while lacking tools and recourse to address these concerns.

Service design contributes to this problem and previous research has explored how the organisation and delivery of CSC services accentuates inequalities (Hood et al., 2020). For example, the 'screen and intervene' structure of tiered services means that poverty-related problems may be overshadowed by risk indicators to do with concerns about parenting, and so fail to trigger sustained support. The findings of this study further support this proposition: children from households below the poverty line were not necessarily more likely to be referred, but once referred they were more likely to be subject to child protection (CP) plans. Case episodes for these children were also shorter, with higher re-referral rates. The design of CSC creates pressure on professionals to identify risk and close cases quickly, leaving financial hardship unaddressed and contributing to cycles of re-involvement.

These findings raise questions for current reform proposals for CSC (Department for Education, 2025). Proposals emphasising prevention and family help could create opportunities to address poverty more systematically, but only if financial issues are explicitly recognised as safeguarding concerns. Without such recognition, reforms risk reinforcing the existing focus on investigative and protective responses while leaving socio-economic drivers of harm unaddressed.

4.4. Prevention, family help and poverty reduction

Rising child poverty in England has been directly linked to thousands of additional children entering care in England (Axford and Berry, 2023). LAs that invested more in preventative services, such as children's centres and family support, recorded lower intervention rates, while cuts to such services were associated with rising demand and declining service quality (Webb *et al.*, 2022; Webb, 2025). The qualitative findings illustrated these trends, with practitioners describing an escalation in demand from families experiencing financial hardship, which could not easily be met within a reactive, crisis-driven service culture. At the same time, analysis of referrals, re-referrals and child protection interventions (Section 3.2) pointed to a pattern of escalating child welfare issues when problems associated with financial hardship were not addressed early on.

These findings have implications for current reforms of CSC in England. The government is presenting its Families First Partnership (FFP) programme as an opportunity to rebalance prevention and protection (Department for Education, 2025). Multi-agency Family Help teams, usually based in locality hubs, will share information, carry out needs assessments and undertake casework with children who do not meet the threshold for child protection. Implementation of the pathfinder (pilot) projects included Family Network Support

Packages (FNSPs), which might include financial assistance but were designed to facilitate the contribution of wider family members to safeguarding and family help plans. Our findings suggest the extension of such arrangements to the child's immediate household, particularly when its members are living below the poverty line.

Other practical measures for Family Help teams might include embedding financial risk assessments into routine casework, training practitioners in recognising financial vulnerability, and providing access to money advice, debt counselling, income maximisation, benefit checks, and budgeting support. This is not to say that social workers or family support workers ought to be undertaking such activities themselves. Even for social care professionals the benefits system is difficult to understand and navigate, while debt advice is a complex area of work that is regulated by the Financial Conduct Authority (FCA). It is important to note these regulations allow for debt counselling to be provided by LAs, as well as by specialist agencies such as the Citizens Advice Bureau (CAB). However, a decade and a half of funding cuts imposed by central government austerity measures have significantly curtailed the capacity of such services, making it harder to signpost and refer families to appropriate support (James, 2022; Stamp, 2023). Nonetheless, the findings reinforce longstanding evidence that social workers rarely assess the need for such support nor see it as a priority to include any available help in statutory care plans. This is surely a matter of knowledge, confidence and institutional culture rather than a deliberate oversight. In the current policy context for CSC, with a proposed shift to Family Help teams for non-CP casework, it is critical that lead family help practitioners, who will often be social workers or family support workers, should have appropriate knowledge and training to identify financial problems and know where to seek specialist advice. Moreover, given the pressures on CAB and other licensed providers of such advice, LAs would need to retain, expand or reinstitute specialist in-house teams of debt and money advice workers in order to support these activities, including income maximisation and budgeting. Such work is in-depth and often requires repeated and long-term engagement – like most other aspects of social care.

Similar resource considerations and constraints apply to the provision of financial grants, which could help families bridge gaps between payments, prevent arrears, or cover essential needs. Unconditional cash transfers, as argued earlier, should be considered a legitimate means of improving children's welfare and preventing family. However, given the constraints on LA finances, ring-fenced budgets and pooled resources across agencies will be crucial to make such measures realistic or sustainable. Initially, such initiatives may target children subject to CP plans, for whom direct support should form part of safety planning to ensure parents can meet basic living costs. When CP plans are 'stepped down' to family help services for ongoing monitoring and support, this is an opportunity to provide further wraparound support, including regular benefits checks and financial coaching, to ensure that improvements in parenting and wellbeing are more likely to be sustained.

Financial shocks that can tip households into financial precarity, such as arrears, debt, benefits sanctions, and income loss, should be avoided or remediated, especially when there are young children involved. This connects with a broader problem around abusive debt collection practices in the UK, which has itself come under FCA scrutiny (Gardner and Gray, 2023), and the way in which LAs pursue collection of owed monies – particularly council tax arrears. Spooner (2022) describes some of these practices, including widespread use of bailiffs, which cause substantial distress to children and parents/carers. It seems contradictory and counterproductive for one council department to be seeking to provide support and assistance to financially precarious families while another department is arranging for them to be harassed by bailiffs.

Measures to embed financial assessment and assistance within family help services will require central government backing, sufficient funding, and streamlined referral pathways. Given the constraints on LA finances, ring-fenced budgets and pooled resources across agencies will be crucial for sustainability. Most importantly, addressing poverty through casework must be accompanied by community-based interventions targeting structural disadvantage in deprived neighbourhoods. Without such systemic approaches, individualised responses risk being overwhelmed by broader socio-economic pressures. This is particularly so given the deep suspicion and stigma attached to child welfare intervention in a system that over recent years has been experienced by families as ever more adversarial and interventionist (Bilson *et al.*, 2017; Broadhurst and Mason, 2020).

4.5. Stigma, suspicion and the investigative state

The findings from this study underscore both the potential and the risks of integrating financial assessment in CSC. While poverty alleviation should be framed as a safeguarding intervention, caution is warranted about how such strategies might be operationalised in a system that has shifted increasingly towards surveillance, investigation and intervention – particularly when it comes to poor families (Bilson *et al.*, 2017). A central concern is how information about financial hardship may be interpreted through a risk assessment lens. If not having enough money to live on is rightly viewed as an impediment to parents' ability to care for their children, might this be inadvertently framed as an aspect of parenting capacity rather than as a social and environmental factor? With families often at or near crisis point when referred to safeguarding services, financial problems may well be accompanied by other concerns, such as poor mental health and incidents of domestic violence, which are seen through an individualised lens. In such circumstances, financial hardship could be viewed as compounding or exacerbating concerns about parenting, reinforcing the likelihood of an interventionist response.

Professionals interviewed for this study recognised the impact of poverty but expressed doubts about their ability to address it. Parents also voiced concerns about how financial

data might be used against them. This scepticism reflects wider mistrust of services seen as punitive and oppressive rather than supportive, particularly among minoritised groups (Nourie, 2022). Equally, the findings on the UC uplift suggest that small financial improvements can have meaningful effects. Measures such as income maximisation, debt advice, and financial coaching could be integrated into family help and CP plans without significant additional outlay. Such approaches could also improve trust between families and professionals, reframing CSC as a partner in support rather than a threat.

Overall, our findings suggest that careful thought is needed about how financial data is operationalised. Using linked administrative data to monitor neighbourhood-level outcomes may be preferable to individual-level surveillance, aligning with a public health approach. This would allow councils to assess whether services are improving socio-economic fundamentals without deepening mistrust among families.

5. Conclusion and recommendations

The findings of this study reinforce a central message: financial precarity is a major driver of children's involvement with child welfare services, and modest material assistance can reduce the likelihood of protective interventions. The evidence shows that while professionals are aware of poverty's role, systemic barriers prevent them from addressing it effectively. In light of these findings, this conclusion sets out recommendations across five key domains: policy reform, service design, practice, evaluation, and data governance.

Based on these findings and their implications for children's social care, the following recommendations are made for policy, management and practice:

1. **Policy and reform of CSC**
    a. A cross-departmental strategy linking anti-poverty measures with children's services reform is needed to reduce demand for child protection and care.
    b. Policymakers should avoid welfare restrictions that exacerbate child poverty, such as the two child limit on Universal Credit or cuts to disability benefits affecting vulnerable parents.
    c. Financial hardship should be explicitly recognised as a safeguarding concern, and guidance should integrate poverty reduction into the statutory duties of children's services, including multi-agency partners.
    d. Upcoming reforms to CSC, including Family First Partnerships, should embed financial support within multi-agency family help and safeguarding processes, including the extension of direct financial assistance to parents and main carers.

2. **Design and management of services**
    a. The tiered "screen and intervene" model of CSC prioritises short-term protection over sustained support, resulting in higher re-referral rates for families living in poverty. Service design should be reoriented towards prevention and continuity, ensuring that financial hardship is addressed rather than simply documented.
    b. Multi-agency family help teams should integrate financial assessment into routine practice. This requires clear referral pathways to benefits advice, debt support, and emergency cash assistance.
    c. Embedding financial risk indicators within assessment templates would ensure that practitioners consistently consider socio-economic factors alongside parenting capacity.

d. LAs could establish discretionary funds or grant schemes to bridge benefit gaps, cover rent arrears, or address food insecurity.

e. Ring-fenced budgets for preventative family support would protect such schemes from cuts during fiscal retrenchment. Joint commissioning with health, housing, and voluntary agencies could further expand capacity to address financial hardship at source.

3. Children's social care practice

a. For practitioners, the findings highlight the importance of recognising poverty as both context and cause. Practitioners already understand that financial stress undermines family stability, but they often feel powerless to intervene. Training in financial vulnerability and household economics should therefore be embedded within social work education and continuing professional development. This would equip practitioners to identify debt risks, benefit gaps, and income shocks, and to respond with practical support or referral.

b. Direct engagement with families about finances must be framed in supportive rather than investigative terms. Practitioners should therefore adopt an anti-poverty practice framework that positions financial support as part of a helping relationship.

c. Debt advice, budgeting tools, and benefit maximisation should be integrated into child protection and family help plans, ensuring that poverty reduction is a core part of intervention rather than an optional add-on.

d. Building trust is central. Offering tangible support with household costs can improve relationships between families and practitioners, increasing the sustainability of changes in parenting and wellbeing. Small but meaningful assistance — such as help with energy bills or food vouchers — can demonstrate responsiveness and empathy, countering the mistrust that often accompanies statutory intervention.

4. Service improvement and evaluation

a. Improving families' socio-economic circumstances and ensuring that households are not below the poverty line should be seen as a legitimate and important outcome of social care intervention.

b. Systematic evaluation is critical to embedding financial assistance within children's services, in order to demonstrate economic efficiency and ensure sustainability of initiatives given pressures on LA budgets.

c. Since CSC services do not collect information about household finances, linking available data to CSC interventions is necessary to evaluate socio-economic outcomes and monitor the effectiveness of financial support.

d. Ofsted may consider including poverty reduction in their inspection and performance frameworks, ensuring accountability for addressing socio-economic determinants of child welfare.

5. Data governance and data linkage

a. Linking household financial data with child welfare records could improve targeting of support and allow councils to monitor socio-economic outcomes at a population level. However, such linkages carry risks of reinforcing surveillance and mistrust if used primarily for risk assessment.

b. A public health approach offers a way forward. Financial data should be used at aggregate levels — for neighbourhoods, localities, or service user groups — to design and evaluate interventions rather than to intensify scrutiny of individual families. This would enable councils to identify patterns of deprivation, allocate resources effectively, and monitor whether services are improving socio-economic conditions.

c. Strong safeguards are required. Families must be assured that financial information will not be used punitively. Transparent governance structures, clear consent mechanisms, and robust data protection protocols should underpin any expansion of data linkage. Engaging families and communities in the design of data systems could also enhance legitimacy and trust.

Further information

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7. Appendices

Appendix 1. Supplementary analysis of referrals

Appendix Table 1.1 Effects of being below the relative poverty line on the probability of being ever referred (Marginal effects). Alternative analysis including number of non-dependants in the equivalisation

	(1) Ever referred Unadjusted AME	(2) Ever referred Adjusted AME
Below relative poverty line (<= 60% median equivalised income including non-deps)	0.009***	0.007**
	(0.003)	(0.003)
LA2		0.017***
		(0.005)
LA3		0.080***
		(0.007)
LA4		0.019***
		(0.005)
LA5		-0.046***
		(0.004)
LA6		-0.006
		(0.005)
Year = 2020		0.003***
		(0.001)
Year = 2021		0.001
		(0.001)
Year = 2022		-0.007***
		(0.002)
Child's age[5]		0.002***
		(0.000)
Number of children in household		0.015***
		(0.001)
Number of non-dependants in household		0.009***
		(0.003)
Claimant has a partner		-0.066***
		(0.004)
Any employment income		-0.009**
		(0.004)
Observations	2,094,600	2,094,600

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix Table 1.2 Effects of being in budget shortfall on the probability of being ever referred (Marginal effects).

	(1) Ever referred Unadjusted AME	(2) Ever referred Adjusted AME
Budget shortfall	-0.007*	-0.016***
	(0.004)	(0.004)
LA2		0.017***
		(0.005)
LA3		0.082***
		(0.007)
LA4		0.020***
		(0.005)
LA5		-0.046***
		(0.004)
LA6		-0.006
		(0.005)
Year = 2020		0.003***
		(0.001)
Year = 2021		0.000
		(0.001)
Year = 2022		-0.006***
		(0.002)
Child's age[5]		0.002***
		(0.000)
Number of children in household		0.017***
		(0.002)
Number of non-dependants in household		0.012***
		(0.002)
Claimant has a partner		-0.062***
		(0.004)
Any employment income		-0.013***
		(0.004)
Observations	2,094,600	2,094,600

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix Table 1.3: Changes in the probability of being ever referred associated with a 1% increase in equivalised income

VARIABLES	(1) Ever referred Unadjusted AME	(2) Ever referred Adjusted AME
Ln equivalised income	-0.015***	-0.010**
	(0.004)	(0.004)
ID LA = 2, LA 2		0.017***
		(0.005)
ID LA = 3, LA 3		0.079***
		(0.007)
ID LA = 4, LA 4		0.019***
		(0.005)
ID LA = 5, LA 5		-0.046***
		(0.004)
ID LA = 6, LA 6		-0.006
		(0.005)
Year = 2020		0.004***
		(0.001)
Year = 2021		0.001
		(0.001)
Year = 2022		-0.006***
		(0.002)
Child's age		0.002***
		(0.000)
Number of children		0.015***
		(0.001)
Number of non-deps		0.011***
		(0.002)
Partner		-0.066***
		(0.004)
Employment income		-0.009**
		(0.004)
Observations	2,094,553	2,094,553
Notes	No controls	Controls

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix Table 1.4: Changes in the probability of being ever referred associated with a 1% increase in equivalised income after cost. Restricting the analysis to families with positive income-after cost

VARIABLES	(1) Ever referred Unadjusted AME	(2) Ever referred Adjusted AME
Ln equivalised income after cost	0.005**	0.006**
	(0.002)	(0.002)
ID LA = 2, LA 2		0.017***
		(0.005)
ID LA = 3, LA 3		0.086***
		(0.008)
ID LA = 4, LA 4		0.019***
		(0.005)
ID LA = 5, LA 5		-0.046***
		(0.004)
ID LA = 6, LA 6		-0.007
		(0.005)
Year = 2020		0.002**
		(0.001)
Year = 2021		-0.000
		(0.001)
Year = 2022		-0.007***
		(0.002)
Child's age		0.002***
		(0.000)
Number of children		0.015***
		(0.002)
Number of nondeps		0.012***
		(0.002)
Partner		-0.066***
		(0.004)
Employment income		-0.017***
		(0.004)
Observations	1,993,226	1,993,226
Notes	No controls	Controls

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix Table 1.5 Effects of being below the relative poverty line on the probability of being referred. The 'referred' variable is defined as one if a referral occurred during the snapshot month or the six months prior. (Marginal effects reported)

	(1) Referred window AME	(2) Referred window AME
Below relative poverty line (<= 60% median equivalised income)	-0.000 (0.001)	-0.000 (0.001)
LA2		0.011*** (0.002)
LA3		0.038*** (0.004)
LA4		0.008*** (0.002)
LA5		-0.015*** (0.002)
LA6		-0.004* (0.002)
Year = 2020		-0.004*** (0.001)
Year = 2021		-0.010*** (0.001)
Year = 2022		-0.021*** (0.001)
Child's age[5]		0.001*** (0.000)
Number of children in household		0.006*** (0.001)
Number of non-dependants in household		0.005*** (0.001)
Claimant has a partner		-0.029*** (0.002)
Any employment income		-0.008*** (0.002)
Observations	2,094,600	2,094,600

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix 2. Analysis of re-referrals

Appendix Table 2.1 Effects of being below the relative poverty line on the probability of being ever re-referred (Marginal effects). Main analysis without including number of non-dependants in the equivalisation

	(1) Ever re-referred Unadjusted AME	(2) Ever re-referred Adjusted AME
Below relative poverty line (<= 60% median equivalised income)	0.037***	0.035**
	(0.014)	(0.014)
Year = 2021		0.069***
		(0.015)
Year = 2022		0.040***
		(0.016)
LA ID = 2, LA 2		0.046**
		(0.022)
LA ID = 3, LA 3		0.166***
		(0.025)
LA ID = 4, LA 4		0.028
		(0.022)
LA ID = 5, LA 5		-0.010
		(0.033)
LA ID = 6, LA 6		0.009
		(0.026)
Gender = 2, Male		0.009
		(0.010)
Gender = 3, Intersex/other		0.080
		(0.221)
Ethnic group = 2, Mixed		0.008
		(0.022)
Ethnic group = 3, Asian		-0.086***
		(0.027)
Ethnic group = 4, Black		-0.044**
		(0.021)
Ethnic group = 5, Other		-0.071**
		(0.028)
Disability		-0.014
		(0.020)
Child's age		-0.000
		(0.001)
Number of children in household		0.018***
		(0.006)
Number of non-dependants in household		0.002
		(0.013)
Claimant has a partner		-0.067***
		(0.020)
Any employment income		-0.008
		(0.020)
Observations	207,218	203,246

Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Appendix Table 2.2 Effects of being below the relative poverty line on the probability of re-referred in a 12-months window (Marginal effects). Main analysis without including number of non-dependants in the equivalisation.

	(1) Re-referred 12months Unadjusted AME	(2) Re-referred 12months Adjusted AME
Below relative poverty line (<= 60% median equivalised income)	0.034**	0.033**
	(0.014)	(0.014)
Year = 2021		0.068***
		(0.015)
Year = 2022		0.038**
		(0.016)
LA ID = 2, LA 2		0.051**
		(0.022)
LA ID = 3, LA 3		0.169***
		(0.025)
LA ID = 4, LA 4		0.029
		(0.022)
LA ID = 5, LA 5		-0.010
		(0.033)
LA ID = 6, LA 6		0.009
		(0.026)
Gender = 2, Male		0.010
		(0.010)
Gender = 3, Intersex/other		0.086
		(0.221)
Ethnic group = 2, Mixed		0.009
		(0.022)
Ethnic group = 3, Asian		-0.082***
		(0.027)
Ethnic group = 4, Black		-0.043**
		(0.021)
Ethnic group = 5, Other		-0.068**
		(0.028)
Disability		-0.014
		(0.020)
Child's age		-0.000
		(0.001)
Number of children in household		0.019***
		(0.006)
Number of non-dependants in household		0.002
		(0.013)
Claimant has a partner		-0.066***
		(0.020)
Any employment income		-0.008
		(0.020)
Observations	207,218	203,246

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix 3. Supplementary analysis of interventions following referral

Appendix Table 3.1 Effects of being below the relative poverty line on the probability of being assessed in each of the 4 mutually exclusive CIN categories (Average marginal effects). Alternative analysis including number of non-dependants in the equivalisation

VARIABLES	NFA		No CIN		CIN no CPP		CIN CPP	
	Model 1 (unadj)	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**
Below relative poverty line (<= 60% median equivalised income including non-deps)	-0.003	-0.002	-0.008	-0.018	-0.026***	-0.012	0.037***	0.031***
	(0.004)	(0.005)	(0.011)	(0.012)	(0.013)	(0.013)	(0.009)	(0.009)
Observations	215,868	211,891	215,868	211,891	215,868	211,891	215,868	205,631
Child and family controls	No	Yes	No	Yes	No	Yes	No	Yes

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix Table 3.2: Effects of being in budget shortfall on the probability of being assessed in each of the 4 mutually exclusive CIN categories (Average marginal effects).

VARIABLES	NFA		No CIN		CIN no CPP		CIN CPP	
	Model 1 (unadj)	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**
Budget shortfall	0.003	0.001	-0.011	-0.016	-0.029*	-0.032*	0.037***	0.051***
	(0.006)	(0.006)	(0.015)	(0.015)	(0.017)	(0.017)	(0.012)	(0.014)
Observations	215,868	211,891	215,868	211,891	215,868	211,891	215,868	205,631
Child and family controls	No	Yes	No	Yes	No	Yes	No	Yes

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix Table 3.3: Effects of being below the relative poverty line on CSC interventions following referral. ***Considering income when the episode was active plus 6-month pre-referral window****. (Average marginal effects)*

VARIABLES	No CIN		CIN no CPP		CIN CPP	
	Model 1 (unadj)	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**
Below relative poverty line (<= 60% median equivalised income)	0.004	-0.015	-0.075***	-0.035**	0.069***	0.051***
	(0.010)	(0.010)	(0.016)	(0.016)	(0.016)	(0.016)
Observations	67,909	67,392	67,909	67,392	67,909	64,375
Child and family controls	No	Yes	No	Yes	No	Yes

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix 4. Analysis of interventions following re-referral

Appendix Table 4.1 Effects of being below the relative poverty line on the probability of being assessed in each of the 4 mutually exclusive CIN categories for the children who are re-referred (Marginal effects). Main analysis without including number of non-dependants in the equivalisation

VARIABLES	NFA		No CIN		CIN no CPP		CIN CPP	
	Model 1 (unadj)	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**
Below relative poverty line (<= 60% median equivalised income)	-0.003	0.006	-0.003	-0.009	-0.032	-0.028	0.038**	0.029*
	(0.010)	(0.009)	(0.016)	(0.017)	(0.021)	(0.021)	(0.016)	(0.016)
Observations	67,802	66,980	67,802	67,039	67,802	67,039	67,802	65,374
Child and family controls	No	Yes	No	Yes	No	Yes	No	Yes

Standard errors in parentheses
***p<0.01, ** p<0.05, * p<0.1

Appendix Table 4.2 Effects of being below the relative poverty line on the probability of being assessed in each of the 4 mutually exclusive CIN categories for the children who are re-referred (Marginal effects). Alternative analysis including number of non-dependants in the equivalisation

VARIABLES	NFA		No CIN		CIN no CPP		CIN CPP	
	Model 1 (unadj)	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**
Below relative poverty line (<= 60% median equivalised income including non-deps)	0.003	0.010	-0.012	-0.022	-0.021	-0.022	0.030*	0.031*
	(0.010)	(0.010)	(0.016)	(0.018)	(0.021)	(0.022)	(0.016)	(0.017)
Observations	67,802	66,980	67,802	67,039	67,802	67,039	67,802	65,374
Child and family controls	No	Yes	No	Yes	No	Yes	No	Yes

Appendix Table 4.3 Effects of being in budget shortfall on the probability of being assessed in each of the 4 mutually exclusive CIN categories for the children who are re-referred (Marginal effects).

VARIABLES	NFA		No CIN		CIN no CPP		CIN CPP	
	Model 1 (unadj)	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**	**Model 1 (unadj)**	**Model 2 (fully adj)**
Budget shortfall	0.004	0.007	-0.016	-0.010	-0.005	-0.029	0.018	0.035
	(0.013)	(0.012)	(0.021)	(0.022)	(0.027)	(0.028)	(0.020)	(0.023)
Observations	67,802	66,980	67,802	67,039	67,802	67,039	67,802	65,374
Child and family controls	No	Yes	No	Yes	No	Yes	No	Yes

Appendix 5. Summary statistics for uplift and non-uplift households

Appendix Table 5.1 Summary statistics for uplift and no-uplift groups

Control: No uplift			
	Mean	Min	Max
Below poverty line	0.4	0	1.0
Below poverty line – non-dep	0.4	0	1.0
Budget shortfall	0.3	0	1.0
Equivalised income	1740.9	174.3	6214.4
Equivalised income (non-dep)	1692.6	126.4	6214.4
Equivalised income after cost	686.3	-5851.7	5031.5
Equivalised income after cost (non-dep)	654.8	-3571.6	5031.5
Number of children	2.4	1	9.0
Number of non-deps	0.2	0	5.0
Partner	0.3	0	1.0
Employment income	1	0	1.0
Treated: Uplift			
Below poverty line	0.4	0	1.0
Below poverty line – non-dep	0.5	0	1.0
Budget shortfall	0.2	0	1.0
Equivalised income	1746.3	68.9	18045.1
Equivalised income (non-dep)	1704.3	55.2	18045.1
Equivalised income after cost	760.4	-14582.1	18905.2
Equivalised income after cost (non-dep)	729.9	-14582.1	18905.2
Number of children	2.3	1	9.0
Number of non-deps	0.1	0	6.0
Partner	0.3	0	1.0
Employment income	0.6	0	1.0

Appendix 6. Supplementary DiD analysis (poverty line)

Appendix Table 6.1 Difference in Difference – marginal effects of uplift on the probability of being below the relative poverty line. ***Alternative analysis including number of non-dependants in the equivalisation***

VARIABLES	**Model 1 Below pov line - including nondeps (unadj)**	**Model 2 Below pov line - including nondeps (fully adj)**
Treated	0.100***	-0.065***
	(0.012)	(0.010)
Time	0.054***	0.112***
	(0.020)	(0.016)
Interaction	**-0.103*** **	**-0.150*** **
	(0.022)	**(0.018)**
Year = 2020		-0.006
		(0.004)
Year = 2021		0.014***
		(0.005)
ID LA = 2, LA 2		-0.117***
		(0.009)
Child's age		0.003***
		(0.001)
Number of children		0.071***
		(0.005)
Number of non-deps		0.336***
		(0.013)
Partner		0.062***
		(0.011)
Employment income		-0.400***
		(0.007)
Observations	389,658	389,658
Notes	No controls	Controls

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

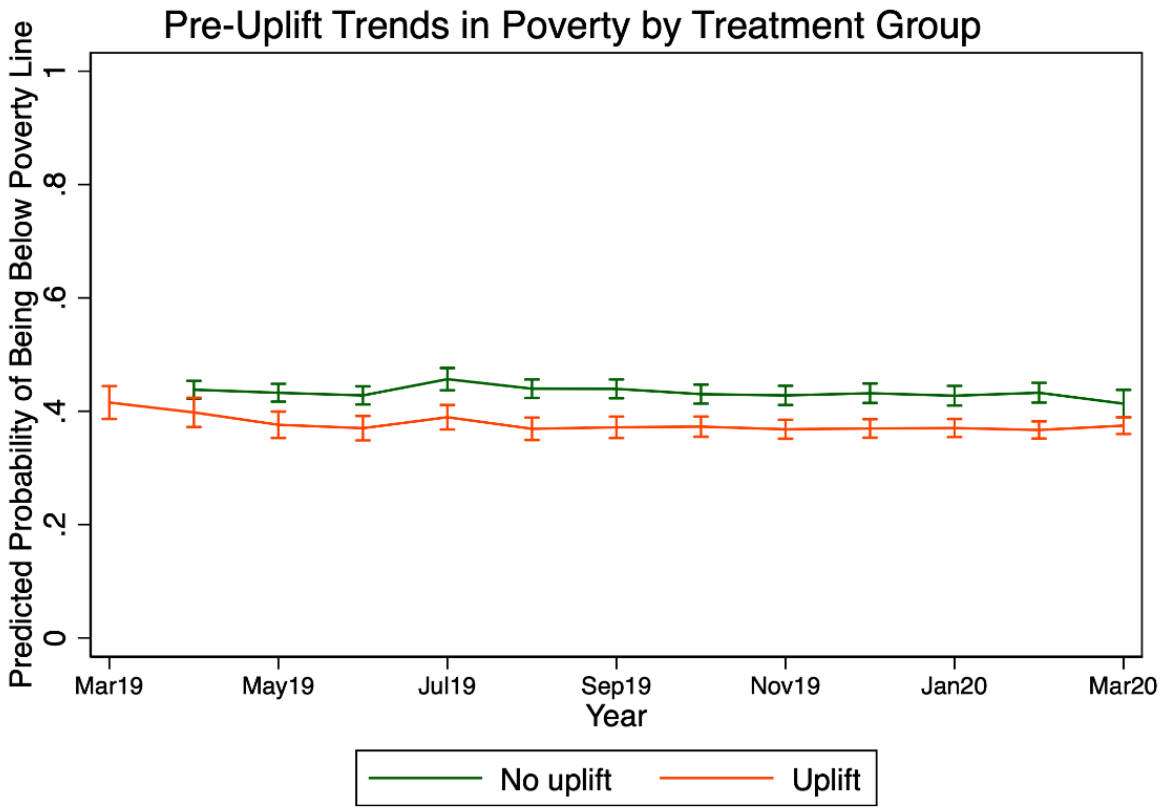
*Appendix Table 6.2 Difference in Difference – marginal effects of uplift on the probability of being in **budget shortfall**. Alternative analysis including number of non-dependants in the equivalisation*

VARIABLES	**Model 1 Budget shortfall (unadj)**	**Model 2 Budget shortfall (fully adj)**
Treated	-0.098***	-0.094***
	(0.010)	(0.008)
Time	0.055***	0.107***
	(0.012)	(0.011)
Interaction	**-0.023**	**-0.119*** **
	(0.015)	**(0.013)**
Year = 2020		0.012***
		(0.003)
Year = 2021		0.017***
		(0.004)
ID LA = 2, LA 2		0.020***
		(0.008)
Child's age		0.005***
		(0.001)
Number of children		0.096***
		(0.004)
Number of non-deps		0.023***
		(0.006)
Partner		0.163***
		(0.007)
Employment income		-0.125***
		(0.008)
Observations	389,658	389,658
Notes	No controls	Controls

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix 7. Parallel trends analysis (poverty line)

Appendix Figure 7.1 Pre-uplift trends for difference in difference about financial precarity – using main specification of the relative poverty line (without including number of non-dependants)



Appendix Table 7.1 presents the parallel trends graph, showing the pre-uplift tendencies for children from families who received the uplift (treated group) versus those who did not (control group). The graph displays the predicted probability of being below the relative poverty line, and as can be seen, the trends are similar for both groups. To formally test this, we examined whether the interaction terms are jointly statistically significant, where the null hypothesis is that all interaction terms are equal to zero, and the alternative hypothesis is that at least one interaction term is significantly different from zero. We obtained a p-value of 0.142, indicating that the test is not significant and supporting the assumption of parallel trends between treated and control groups prior to the policy.

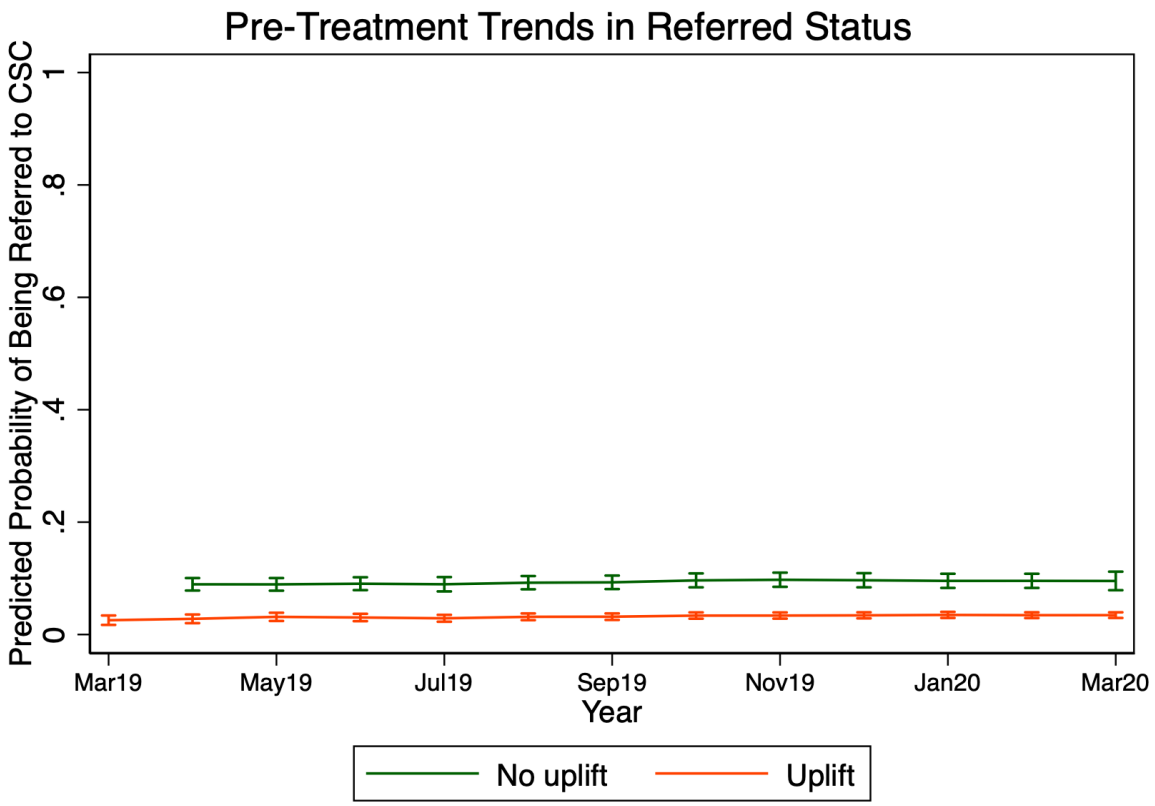
Appendix 8. DiD and parallel trends analysis (referrals)

Appendix Table 8.1 DiD marginal effects of uplift on the probability of being ever referred to CSC.

VARIABLES	**Model 1 Ever referred (unadj)**	**Model 2 Ever referred (fully adj)**
Treated = 1, Uplift	-0.063***	-0.061***
	(0.009)	(0.008)
Time = 1	-0.004	-0.006
	(0.009)	(0.009)
Interaction = 1	**0.030*** **	**0.028*** **
	(0.010)	**(0.010)**
Year = 2020		0.003**
		(0.001)
Year = 2021		0.001
		(0.002)
ID LA = 2, LA 2		0.015***
		(0.005)
Child's age		0.001***
		(0.000)
Number of children		0.001
		(0.003)
Number of non=deps		0.013***
		(0.004)
Partner		-0.015**
		(0.006)
Employment income		-0.002
		(0.005)
Observations	372,930	372,930
Notes	No controls	Controls

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Appendix Figure 8.1 Parallel trends analysis for DiD (referrals).

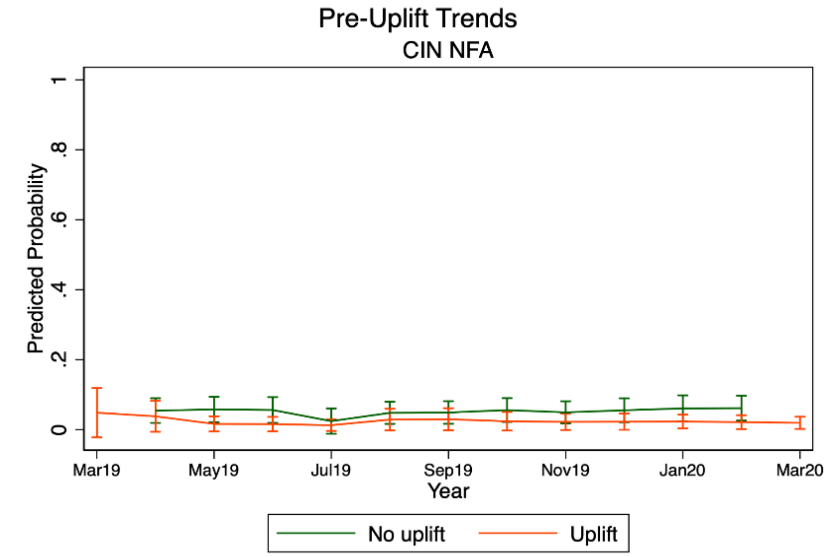


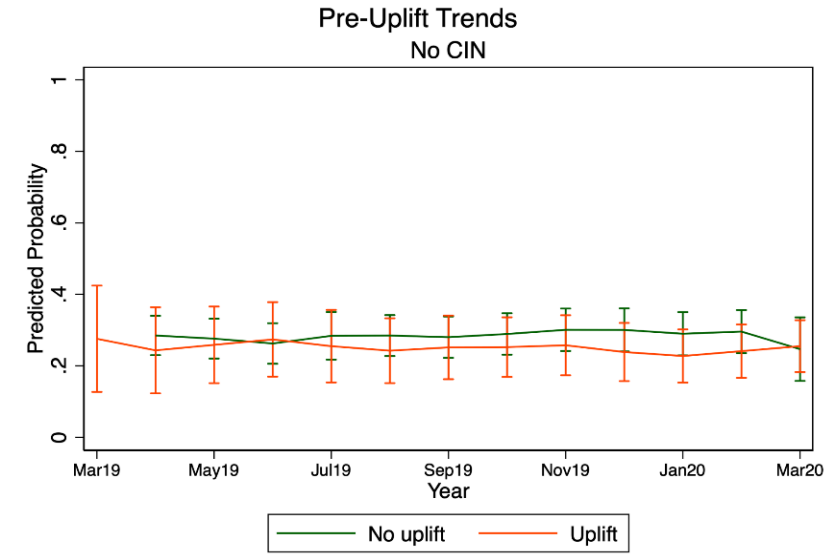
Appendix Figure 8.1 shows the predicted probability of being referred to CSC for both groups of children, those who belong to families who receive the uplift, and those who didn't. Similar tendencies are observed for both groups. When testing whether these interaction terms (between month of the snapshot and treated groups before the uplift was implemented) are jointly statistically significant, we obtain a p-value of 0.64. This implies the test is not significant, and therefore the parallel trends assumption between treated and control groups before the policy holds prior to the policy.

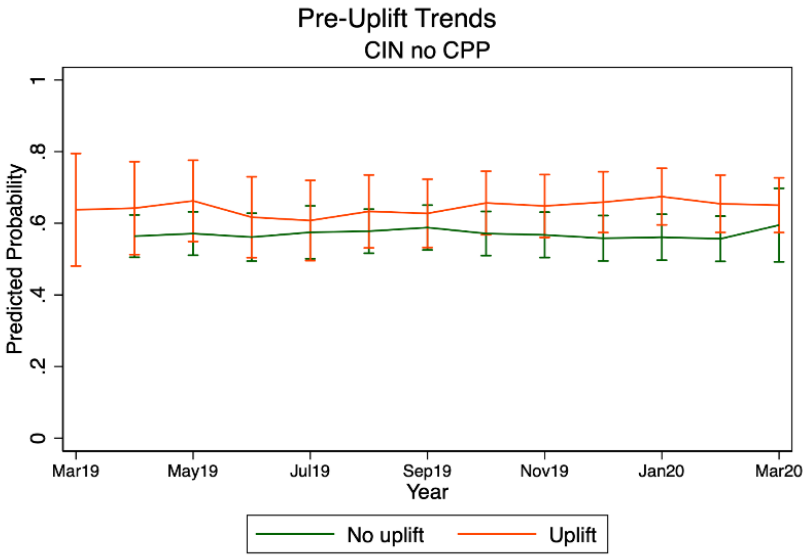
Appendix 9. Parallel trends analysis (CSC interventions)

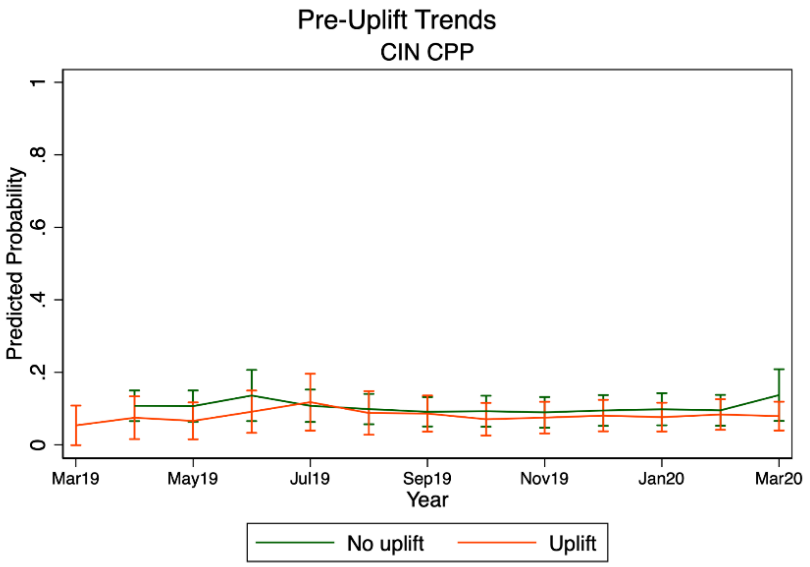
The parallel trends assumption for each category of CSC intervention was tested by examining whether the interaction terms were jointly statistically significant prior to the introduction of the uplift. The assumption was found to hold only for the Not-CIN and CIN-no-CPP categories, where the p-values were 0.4 and 0.42, respectively—both above the 0.05 threshold. For the CIN-NFA and CIN-CPP categories, however, the p-values were around 0.03, indicating that the parallel trends assumption was violated. Therefore, the DiD results for these two categories should not be considered valid.

Supplementary Figure 9.1 Pre-uplift DiD trends for each category of CSC intervention.






Pre-Uplift Trends
CIN no CPP
Predicted Probability
0
.2
.4
.6
.8
1
Mar19
May19
Jul19
Sep19
Nov19
Jan20
Mar20
Year
No uplift
Uplift


Pre-Uplift Trends
CIN CPP
Predicted Probability
0
.2
.4
.6
.8
1
Mar19
May19
Jul19
Sep19
Nov19
Jan20
Mar20
Year
No uplift
Uplift

Appendix 10. Calculation of household income

Further to Section 2.3.4, below is a step-by-step description of how total household income was calculated:

STEP 1 - INCOME FROM UCDS

Given the nature of each dataset, our monthly income measure was constructed using comparable income components. For the UCDS dataset, we included net earnings (gross earnings minus National Insurance contributions and income tax) from the claimant and their partner, unearned income and the monthly UC payment, which encompasses all benefits under the UC system: standard allowance, child element, disabled child element, childcare element, housing element, carer element, limited capability for work (LCW) and limited capability for work-related activity (LCWRA) elements and deductions. The income measure also included deductions for landlords.

It is important to note that in UCDS, the £20 uplift is automatically included in the standard allowance, so no further adjustments were necessary.

An element missing from the raw UC dataset is child benefit, which differs from the child element. All families with children under 16 (or under 20 if the child is in approved education or training) are eligible to receive child benefit. Since take-up rate is very high at around 90 per cent (HMRC, 2023), we added this benefit for all eligible children, using the weekly rates applicable to the eldest (or only) child and to subsequent children for each financial year, converting them into monthly values to align with our measure. Once included, we obtained the final total monthly household income for families captured in the UCDS dataset.

STEP 2 - INCOME FROM SHBE

The SHBE dataset provides more disaggregated income information compared to UCDS. It includes net earnings from the claimant and partner, other income and benefits received by the claimant and their partner on the legacy system. These benefits include Housing Benefit (HB), Working Tax Credit (WTC) and child tax credits (CTC), Child Benefit (CHB), Maternity Allowance (MA), Statutory Maternity Pay (SMP), Attendance Allowance (AA), Personal Independence Payment (PIP) care and mobility elements, Carer's Allowance (CA) and Severe Disability Allowance (SDA). We also included income related to passported benefits (see Section 2.3), such as Income Support (IS), Income-based Jobseeker's Allowance (JSA-IB), Income-related Employment and Support Allowance (ESA-IR), and Pension Credit.

As with UCDS, certain variables were manually added because they are missing from the raw data in SHBE. These included Disability Living Allowance (DLA), CA when we observed a 'premium carer' flag, but no amount in CA received by user or partner, and the

£20 uplift for people receiving WTC. For DLA and CA, we used the publicly available weekly amounts for each fiscal year. Recipients of WTC also received the £20 uplift, which was not included in the raw data and thus added manually.

STEP 3 – EQUIVALENCE SCALE

Total household income was equivalised using the modified OECD equivalence scale (ONS, 2014), in which an adult couple with no dependent children is assigned an equivalence value of 1. The following weights are applied to each household member:

- Head of household: 0.67
- Additional adults: 0.33
- Each child aged 0–13: 0.20
- Each child aged 14–18: 0.33

When applying the equivalence scale, we defined the head of household as the person registered as the claimant in the benefit system. Additional adults were considered based on whether the claimant has a partner, and to determine the number of children by age, we took into account the age of each dependent in the household. As noted earlier, we did not have reliable information on the income of non-dependents, although we did know how many non-dependents were residing in the household. Based on this distinction, we applied two different equivalisation approaches: 1) ignoring the number of non-dependents, since their income was unobserved, and 2) incorporating the number of non-dependents. The main results are reported using the first approach, while robustness analyses using the second approach are presented in the Appendix.

STEP 4 – MEASURE OF FINANCIAL PRECARITY

Equivalised income was used to define financial precarity. Families were considered below the relative poverty line if their equivalised income was less than 60% of the national median. Annual median values were based on data from the ONS. A second measure of financial precarity was budget shortfall, defined as a situation where a household's equivalised income was lower than its total household costs. Estimation of total household costs is discussed in Section 2.3.5.

STEP 5 – Compatibility between UCDS and SHBE datasets

To ensure comparability between total household income across both data sources, disability-related benefits that are only present in SHBE—specifically ESA, DLA and AA—were excluded. This adjustment makes families in the legacy system comparable to those under the UC system, which does not include these disability components.

An additional adjustment concerned families in temporary accommodation who appeared in both UC and SHBE. For these cases, we used income information from UC and supplemented it with the housing benefit from SHBE (see 2.3.1 above).

Appendix 11. Model specification for regression analysis (financial precarity and referrals)

Further to Section 2.4.1, to examine the association between financial precarity and referrals to the Children's Social Care (CSC) system, we estimated a pooled logistic regression model where the dependent variable indicates whether a child was ever referred during the study period. In this analysis, the population of interest includes children identifiable within the benefit systems (SHBE/UCDS).

The model is specified as follows:

$$logit\left(P\left(Referred_i = 1\right)\right) = \beta_0 + \beta_1 FP_{i,t} + \beta_2^{'} X_{i,t} + \delta_{LA} + \lambda_{year}$$

where,

$Referred_i$: Equals 1 if child i was ever referred during the study period, and 0 otherwise. I

FP_i Equals 1 if child *i* is experiencing financial precarity in period *t*, and 0 otherwise. Two measures of financial precarity are used: (i) being below the relative poverty line (60% of the median equivalised income), and (ii) experiencing a budget shortfall (equivalised income below total household cost). For the first measure we present the results with and without including the number of non-dependants in the income equivalisation.

δ_{LA}; γ_{year}: Set of indicators (dummy variables) by LA and year.

$X_{i,t}$ Vector of additional control variables, including the child's age, the number of children and non-dependants in the household, whether the claimant has a partner and whether the household receives income from employment

Results can be found in Section 3.2.1. In both cases we report marginal effects, and include standard errors clustered at the household level

Appendix 12. Model specification for regression analysis (financial precarity and CSC interventions)

Further to Section 2.4.2, to investigate whether financial precarity affects outcomes following a child's referral, we analysed four mutually exclusive *child in need* (CIN) episode categories: **NFA**, **Not-CIN**, **CIN–not CPP**, and **CIN–CPP**. In contrast to the previous analysis, in this case the universe of children analyse is within children who are referred in our study period.

Separate logistic regression models are estimated for each binary outcome, indicating whether an episode resulted in the corresponding CIN category. Given that each outcome is binary, we estimated the following pooled logistic model:

$$logit\Big(P\Big(CIN\ category_{i} = 1\Big)\Big) = \beta_{0} + \beta_{1} FP_{i,t} + \beta_{2}^{'} X_{i,t} + \delta_{LA} + \lambda_{year}$$

where,

$CIN\ category_{i}$: we estimate different regressions for each one of the CIN categories, where the relevant variable is 1 if the child in need episode was assessed as NFA/No CIN/ CIN CPP/CIN no CPP respectively, 0 otherwise.

$FP_{i,t}$**:** 1 if child i is experiencing financial precarity in period t, 0 otherwise.

δ_{LA}; λ_{year}**:** Set of indicators (dummy variables) by LA and year.

$X_{i,t}$: Vector of additional control variables, including the child's age, the number of children and non-dependants in the household, whether the claimant has a partner, and whether the household receives income from employment. Since this analysis focuses on referred children, we are able to include additional characteristics that are only available in the CIN census, such as ethnicity, whether the child has a disability, and gender.

Additionally, we conducted a similar analysis to examine whether financial precarity affected the likelihood of being referred more than once to CSC. In this case, the outcome in the logit model is P(re-referred=1). Specifically, we focused on children who were re-referred at any point during the study period, compare with those who were referred only once. As a robustness check, we also restricted the analysis to re-referrals occurring within a 12-month window.

We further extended the analysis to children who were re-referred, estimating the same set of logistic regressions associated with the four CIN categories for this sub-sample to examine whether the effects of financial precarity differ among children with multiple referrals during the study period.

We report marginal effects, and we include standard errors clustered at the household level.

Appendix 13. Model specification for regression analysis (changes in household circumstances)

Further to Section 2.4.3, we used longitudinal data on children's social care (CSC) involvement and household characteristics to examine how within-household changes in circumstances affect the likelihood that a child is referred to CSC. The dependent variables are binary indicators equal to one in the month when a referral to CSC (or a referral followed by an assessment) began, and zero otherwise.

The explanatory variables capture specific changes in household circumstances – such as becoming a single parent, changes in employment status, or moving below the poverty line – recorded within the six months following each month of analysis. These variables were constructed by comparing monthly household records and flagging when a transition occurred, then allowing each change to remain active for six months to capture its potential medium-term effects.

We estimate a conditional logit model (clogit) at the child level with household fixed effects, where each observation corresponds to one child in a given month (Henderson *et al.*, 2016; Hemler *et al.*, 2023). Although the unit of analysis is the child, household fixed effects are included (grouped by Household ID), and standard errors are clustered at the same level. This approach controls for all unobserved, time-invariant household characteristics – such as housing conditions, parental characteristics, or persistent vulnerabilities- that may influence the probability of referral. The household, rather than the individual child, is used as the grouping level since most explanatory variables (e.g. parental employment, partnership status, and income) are shared across siblings living in the same household (Filippelli *et al.*, 2017; Emmott *et al.*, 2021; McKenna *et al.*, 2023; Moothedan *et al.*, 2024).

The models are represented as follows:

$$logit\Big(P\Big(Referred_{iht} = 1\Big)\Big) = \beta_1 Change_{h,t-6:t} + \beta_2^{'} Z_{ht} + \beta_3^{'} W_{iht} + \beta_4^{'} C_{ih} + \lambda_t + \alpha_h$$

$$logit\Big(P\Big(Referred\ and\ Assessed_{iht} = 1\Big)\Big) = \beta_1 Change_{h,t-6:t} + \beta_2^{'} Z_{ht} + \beta_3^{'} W_{iht} + \beta_4^{'} C_{ih} + \lambda_t + \alpha_h$$

Where:

$Referred_{iht}$ (and $Referred\ and\ Assessed_{iht}$) are binary variables taking the value of 1 if a referral (or referral and assessment) for child i begins in month t and 0 otherwise.

$Change_{h,t-6:t}$ represents a set of categorical indicators taking the values 1, 2, or 3 in the month when a change occurred in the household h and in the following six months, and 0 when no change occurred (see Appendix 2, Table XX for details).

Z_{ht} represents other household-level time-varying controls, including employment status, relationship status, number of children, number of non-dependents, and indicators of financial precarity.

W_{iht} denotes child-level time-varying controls, such as child age.

C_{ih} represents child-level time-invariant characteristics that remain identifiable because fixed effects are defined at household level. These include the child's ethnicity and gender.

λ_t denotes time fixed effects, included as month-year controls.

α_h captures household-specific fixed effects

Appendix Table 13.1. Effects of Changes in Circumstances on the likelihood of being referred and assessed to Children Social Care (Odds Ratios)

	(1) A: Became Single B: Became Couple	(2) A: (+) Non-Deps B: (-) Non-Deps	(3) A: (+) Children B: (-) Children	(4) A: Became Employed B: Became Unemployed	(5) A: Out of Poverty B: Fell into Poverty	(6) A: Fell in Budget Shortfall B: Exited Budget Shortfall
Change A	1.488	1.065	0.946	1.164	1.113	1.078
	(0.594)	(0.180)	(0.143)	(0.204)	(0.110)	(0.136)
Change B	0.001	0.926	1.061	1.240	0.881	0.858
	(0.00)	(0.212)	(0.159)	(0.238)	(0.0911)	(0.0966)
Change A and B	2.139	1.219	0.961	0.942	0.887	1.051
	(2.457)	(0.377)	(0.400)	(0.203)	(0.120)	(0.162)
Employed	1.069	1.075	1.073		1.062	1.072
	(0.140)	(0.141)	(0.141)		(0.136)	(0.140)
Number of Children	0.928	0.984		0.928	0.935	0.929
	(0.115)	(0.0937)		(0.115)	(0.116)	(0.113)
Number of Non-Deps	0.914		0.945	0.913	0.922	0.922
	(0.138)		(0.101)	(0.138)	(0.139)	(0.139)
Below Poverty Line	1.084	1.087	1.087	1.075		1.085
	(0.0895)	(0.0897)	(0.0897)	(0.0877)		(0.0894)
Budget Shortfall	1.036	1.042	1.028	1.034	1.041	
	(0.102)	(0.103)	(0.100)	(0.102)	(0.102)	
Child Age	0.996**	0.997*	0.997*	0.996**	0.996**	0.996**
	(0.00181)	(0.00176)	(0.00181)	(0.00181)	(0.00181)	(0.00181)
Observations	145,492	145,492	145,492	145,492	145,492	145,492
Other Controls	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses; * p < 0.1, ** p < 0.05, *** p < 0.01. Notes: Other controls include ethnic group of the child, month-year and gender of the child.

Appendix 14. Model specification for difference-in-difference analysis (impact of UC uplift)

To analyse the impact of the £20 uplift on financial precarity and children's social care (CSC) outcomes, a difference-in-differences (DiD) research design was employed using panel data on children from the two LAs. Because the outcomes (e.g. poverty status, CSC referral, and CIN episode type) are binary, we adopt the nonlinear DiD approach recommended by Wooldridge (2023), estimating a pooled logit model with interaction effects to identify causal impacts of the uplift.

The main regression specification is:

$$Pr\left(Y_{i,t} = 1\right) = \Lambda\left(\beta_0 + \beta_1 Treated_i + \beta_2 Time_t + \beta_3 (Treated \cdot Time) + \beta_4' X_{i,t} + \delta_{LA} + \gamma_{year}\right)$$

where:

$Y_{i,y}$: binary outcome for child *i* at time *t*. Whether the child is below the relative poverty line, referred to CSC, or falls into each CIN category.

$\Lambda(z)$**:** The logistic function, defined as $\frac{\exp exp\,(z)}{1+\exp exp\,(z)}$, which maps the linear predictor of the outcome between 0 and 1.

$Treated_i$: indicator equals to 1 for children in household who receive the £20 uplift, and 0 otherwise.

$Time_t$: indicator equals to 1 in periods when the uplift was active, and 0 in pre-uplift periods.

$Treated_i \cdot Time_t$**:** Interaction term capturing children who are both treated and in the post-uplift period.

$X_{i,t}$: represents additional relevant characteristics that are included in the model, such as child's age, number of children, presence of a partner, and whether there is income from employment. Then, for the subsequent service provision analysis, where we analyse the subsample of children who were referred, we also include some additional characteristics that are only included in the CIN census, such as gender, ethnicity, and disability status.

δ_{LA}; λ_{year}**:** Set of indicators (dummy variables) by year and LA.

The coefficient β_3 on the interaction term provides the DiD estimate of the average causal effect of the £20 uplift on the probability of the given outcome. Using logistic regression rather than a linear probability model is in line with Wooldridge (2023), who shows that in

DiD settings with binary outcomes, the usual parallel trends assumption may not be realistic on the probability scale, and that inference is best done via the canonical link function (logit) of the Bernoulli family.

The analysis relies on logistic regressions, and, consistent with econometric best practice for nonlinear DiD designs, the estimation and presentation of average marginal effects (AMEs) is conducted using the margins command in Stata. This ensures that findings are interpreted as changes in the probability of each outcome resulting from the policy intervention, rather than changes in log odds. Statistical significance and effect sizes are therefore reported as average changes in probability attributable to the £20 uplift. Additionally, standard errors are clustered at the household level to account for intra-household correlation over time.

In Wooldridge's nonlinear DiD approach, the parallel trends assumption is adapted to account for binary outcomes and the logit link. Explicitly, this assumption requires that, in the absence of treatment (uplift), the trend in outcome probabilities for treated and untreated groups would have been the same, conditional on covariates and fixed effects. In the logistic model, this means the change in the logit (log-odds) of the outcome across periods for the treated group equals the change for the untreated group. To check this empirically, we test leads of the interaction term (i.e., interactions between pre-treatment time indicators and the treated group). If all pre-treatment interaction coefficients (the "lead" effects) are statistically indistinguishable from zero, the parallel trends assumption is plausible.

When analysing whether the UC uplift affected CIN-related variables, we applied an additional restriction by excluding children whose episode closure dates occurred before the start of the uplift (1 April 2020). This is because our panel dataset does not provide enough observations along with a reliable link between the benefit information snapshots and the time variables from the CIN Census. Since timing is crucial for the uplift analysis, we excluded episodes closed prior to the uplift in order to provide a cleaner and more accurate estimation.