Reaching Out:
Progress on Social Exclusion

CabinetOffice
Social Exclusion Task Force

REACHING OUT: PROGRESS ON SOCIAL EXCLUSION

Introduction

Over the past decade the vast majority of the population has experienced significant improvements in income and wellbeing. Poorer groups have benefited particularly, with economic growth, the tax and benefit system and the national minimum wage helping to ensure that they have a share in rising prosperity. Improved public services have helped increase quality of life for the most disadvantaged groups, and have contributed to improved outcomes for them and their children through investment in education, employment and training.

Growth in household income

The chart below shows income growth rates for the different income groups within the population, between 1997/98 and 2004/05.

Since 1997/8 families in the bottom fifth of the population
have seen their incomes grow faster than those at the top

**Average annual percentage income growth
1997/98-2004/05**
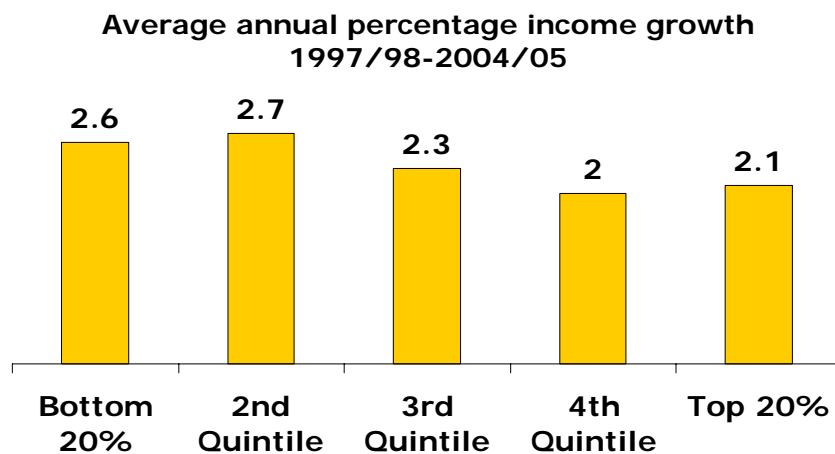
Source: DWP Households Below Average Income   **Cabinet**Office

This chart illustrates the overall picture of rising incomes and living standards across the board over the last ten years, including for the less well off:

- The bottom 20% of the population have seen their incomes rise faster since 1997 than the richest 20% of the population, at 2.6% average annual income growth compared to 2.1%;
- By comparison, between 1979 and 1997, the top 20% of the population saw their average annual incomes grow at three times the rate of the bottom 20% at 2.5% in comparison to 0.8%;

Linked to this good performance on income growth for all groups, over the last ten years the Government has made good progress in tackling poverty:

- 2.4m fewer people now live below the poverty line[1];
- the number of people experiencing absolute poverty has halved[2];
- 700,000 children have been lifted out of relative poverty since 1998[3];
- one million pensioners have been lifted out of relative poverty[4];
- households are on average £1,000 a year better off;
- families with children are on average £1,550 a year better off;
- families with children in the poorest fifth of the population are on average £3,450 a year better off.

Improvements in key outcomes for all groups

Outcomes have improved across the board. Some outcomes of particular relevance to more disadvantaged groups are given below.

Employment

- Number of people in employment has risen by over 2.5 million since 1997, which is equivalent to getting the entire population of Greater Manchester into work;
- Over 1 million lone parents are now in work – 317,000 more than in 1997;
- Amongst people on unemployment benefits, the biggest falls have been amongst those who have been on benefits the longest (long-term claimant unemployment down by over 70% and close to its lowest for 30 years; and youth long-term claimant unemployment almost eradicated) and in areas where unemployment was previously the highest.

Education

- Investment per pupil (including capital spending) has doubled from £2,500 in 1997 to £5,000 in 2005/06. Total revenue funding has increased by 48% (£1,450) per pupil in real terms to 2006-07;
- In 1997, nearly half of primary schools were achieving below 65% in English and maths – now seven out of eight primary schools are above this level in English and four out of five are doing so in maths;
- The number of young people leaving school with no qualifications has been halved since 1997, while the proportion gaining 5 good GCSEs has risen from 45% to 58%;

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[1] The poverty line refers to the low-income threshold of 60% of median household income (measured either before or after housing costs). Before housing costs, 1.1m fewer people now live below the poverty line.

[2] Absolute poverty refers to the low-income threshold of 60% of median household income fixed at 1996/97 levels in real terms.

[3] Relative poverty refers to the low-income threshold of 60% median household income each year.

[4] Before housing costs, 200,000 pensioners have been lifted out of relative poverty

- The number of secondary schools with fewer than a quarter of pupils gaining five good GCSEs is down from 616 in 1997 to 47 in 2006; in 2006 the number of secondaries where 70% or more pupils gain good GCSEs has risen seven-fold to 604, up from 83;
- Black Caribbean pupils, along with Bangladeshi pupils are the biggest improvers in gaining 5 good GCSEs (A*-C).

Disadvantaged areas

- Since 1998, primary schools in the areas of highest poverty have improved at nearly twice the rate of schools in the most affluent areas;
- Positive Activities for Young People supports over 290,000 teenagers (the majority at risk of social exclusion) and helps reduce antisocial behaviour and street crime in some of the toughest areas;
- Neighbourhood Support Fund delivers a programme of informal learning for 50,000 teenagers at risk of severe social exclusion. The majority (68%) progressed to successful outcomes (re-entry into education).

Health

- The overall mortality rate for heart disease in people aged under 75 in England has fallen from 141.0 deaths per 100,000 population in 1995-97 to 90.5 deaths per 100,000 in 2003-05 – a fall of 35.9%
- For cancer, the overall mortality rate has also declined in people aged under 75 in England, from 141.2 deaths per 100,000 population in 1995-97 to 119.0 deaths per 100,000 in 2003-05 – a fall of 15.7%
- The percentage of adults smoking has fallen by 3 percentage points since 2001 – from 27% to 24% in 2005. Among the routine and manual groups, it has fallen from 33% to 31%.
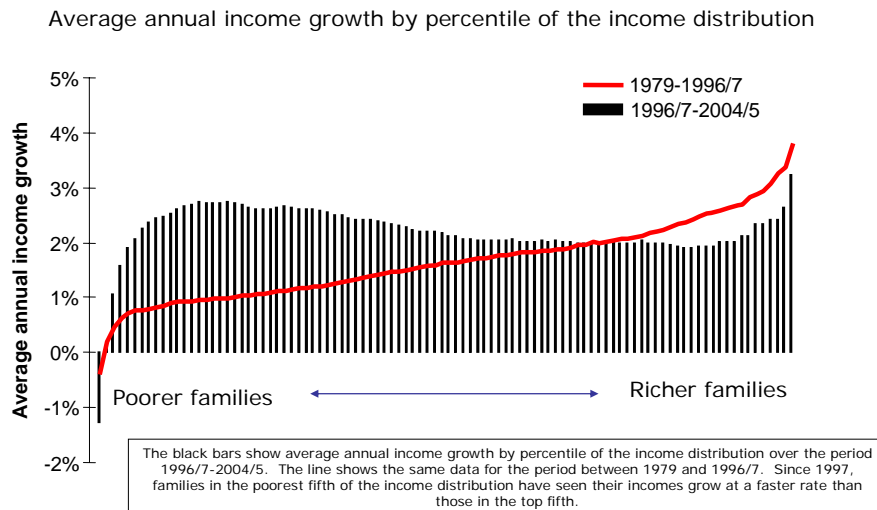
Housing and Homelessness

- The number of non-decent social homes has fallen by more than one million;
- Rough sleeping is down by 73% since 1998. Estimates are that there were just 502 rough sleepers in 2006.

Priority is now the very poorest households

The chart below compares average annual income growth rates for different groups from 1996/97-2004/05 and 1979-1996/97. The poorer income groups are represented to the left of the chart and the better off ones to the right. For 1996/97-2004/05, each vertical bar represents a percentile of the population. The data for 1979-1996/97 are represented by the line. In contrast to the highly regressive picture from 1979-1996/97, during the last decade lower income groups have seen their incomes rise faster than the richest group of families.

There has been faster income growth for poorer families since
1997 – particularly in contrast to the period 1979-97

Average annual income growth by percentile of the income distribution

The black bars show average annual income growth by percentile of the income distribution over the period 1996/7-2004/5. The line shows the same data for the period between 1979 and 1996/7. Since 1997, families in the poorest fifth of the income distribution have seen their incomes grow at a faster rate than those in the top fifth.

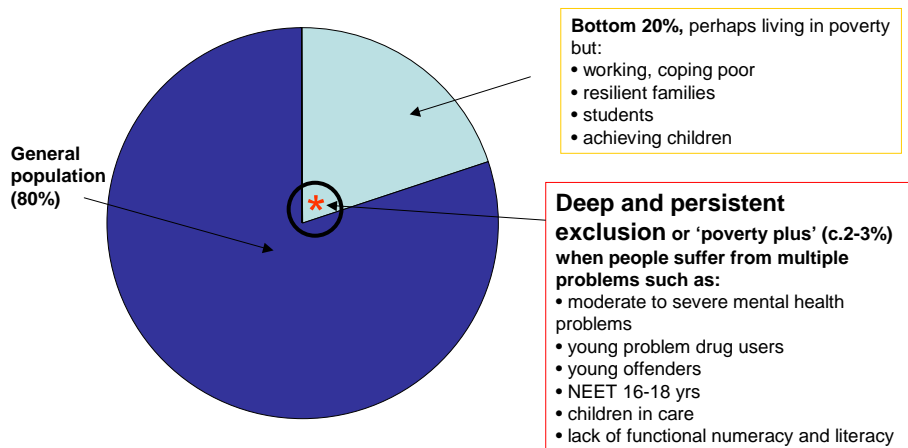Source: Institute for Fiscal Studies

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However, despite the overall positive message for income growth for lower income groups, the graph above shows that there is a hidden story for those households who are at the very bottom of the income scale. There is a tail to this distribution (see extreme left hand side of graph) representing a small group who have not experienced the same growth in incomes. This suggests the need for a renewed focus on the very poorest groups, to ensure that they also share in rising prosperity.

Who are the most socially excluded?

Social exclusion is about more than poverty. It is about having the personal capacity, self confidence and aspiration to make the most of the opportunities, choices and options in life that the majority of people take for granted.

Many people suffer one or more forms of disadvantage. For example, they may live below the poverty line, have a long-term illness or struggle with basic literacy. This does not however necessarily mean that they are socially excluded. Research shows that if certain protective factors are in place (such as supportive parents for children) then outcomes in later life are much more positive. The diagram below illustrates that a small group of people face multiple intractable problems that when combined result in social exclusion.
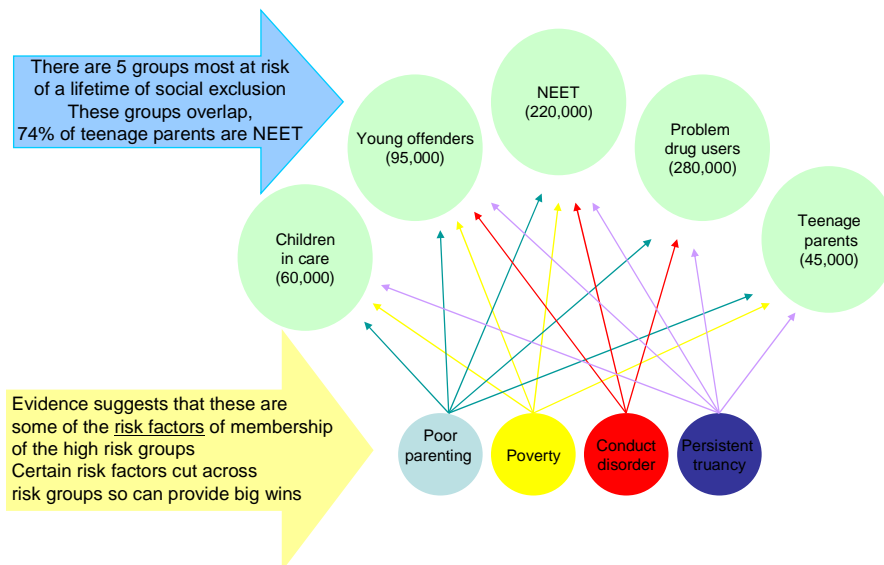
It is precisely because of the successes in improving outcomes for the poor, that we are now able to focus on those facing deep and persistent exclusion

Bottom 20%, perhaps living in poverty but:
- working, coping poor
- resilient families
- students
- achieving children

General population (80%)

Deep and persistent exclusion or 'poverty plus' (c.2-3%) when people suffer from multiple problems such as:
- moderate to severe mental health problems
- young problem drug users
- young offenders
- NEET 16-18 yrs
- children in care
- lack of functional numeracy and literacy

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The diagram below illustrates the factors that may result in social exclusion, looking at young people in particular. Later childhood and youth is a key transition point that can determine a young person's future life chances. The diagram shows that those who are at risk of a lifetime of social exclusion (for example young offenders or those not in employment education or training) often have common characteristics which can be seen as risk factors, for example growing up in poverty or with poor parenting. Evidence shows that people who fall into certain groups at this life stage experience poor outcomes and are at risk of facing a lifetime of social exclusion, for example teenage parents, young offenders and problem drug users. Many of these groups overlap, for example 74% of teenage parents are also not in education, employment or training.

Groups whose problems are multiple and overlapping can lead to social exclusion in later life

There are 5 groups most at risk of a lifetime of social exclusion These groups overlap, 74% of teenage parents are NEET

NEET (220,000)

Young offenders (95,000)

Problem drug users (280,000)

Children in care (60,000)

Teenage parents (45,000)

Evidence suggests that these are some of the risk factors of membership of the high risk groups Certain risk factors cut across risk groups so can provide big wins

Poor parenting

Poverty

Conduct disorder

Persistent truancy

Problems for young people are exacerbated by an employment market characterised by the need for increasingly high level skills, particularly social skills. Employers now want staff who are good at teamwork, communication and negotiation. These are precisely the skills developed in good home environments which may be lacking for the most excluded children and young people.

Impact of entrenched poverty on life outcomes

The priority of addressing the needs of the most disadvantaged groups comes partly from the fact that entrenched social exclusion has a significant impact on outcomes both in childhood and in later life. Individuals and families who have experienced very low income combined with other forms of disadvantage are much more likely to suffer further negative outcomes in later life. Despite the programmes introduced to support these groups, the problems remain. For example:

- One in three children in care ends up not in employment, education or training;
- People with no qualifications are seven times more likely to be unemployed and five times more likely to be low paid then people with higher education;
- Children from the 5% most disadvantaged households are more than 100 times more likely to have multiple problems at age 30 than those from the 50% most advantaged households;
- One in four of adults in prison experienced being in care at some point as children.

Cycles of disadvantage mean this is reinforced

There is a high probability that children who grow up in poverty and disadvantage will go on to experience the same kind of outcomes as their parents as adults. This means that cycles of disadvantage are reinforced within families and communities. For example:

- 125,000 children have a parent in custody, and 65% of children with parents in prison go on to offend;
- Boys with a convicted father are 3.3 times more at risk of being convicted of a crime than those with a non-convicted father;
- The daughter of a teenage mother is twice as likely to become a teenage mother compared with a daughter of an older mother;
- Only 15% of young people from unskilled backgrounds begin higher education by the age of 21 compared with 79% of young people from a professional background.

But cycles can be broken by appropriate action

Cycles of disadvantage can be broken. It is possible to mitigate the life long effects of social exclusion and prevent them from being passed down to future generations. Key to this is providing early and appropriate support.

Evidence suggests that through early identification and action for those at-risk, positive change is possible. We know how important the early years are for a child's development. Long before a child goes to school, behaviours are established and risks experienced that profoundly influence a child's life chances. This principle of early intervention underpinned the vision in *Every Child Matters*. This programme of reform announced in 2003 has radically changed the landscape of children's services. It creates a framework to ensure that health, local authorities and the third sector are working together at local level to identify problems early and act to prevent further deterioration. The approach is designed to ensure the co-ordination of services around the needs of the child, rather than the traditional working practices of different professional groups.

Early intervention is a life cycle approach, so the argument does not just apply to the first years of life. Much can be done during pregnancy and infancy to get children on the path to success and provide protection, but support needs to be persistent. Families fall in and out of risk, and the best start can sometimes be thrown off track. Equally for those with extremely disadvantaged histories, the right support at the right time can turn lives around. Many of adults suffering multiple problems are already parents (or may become parents), who are unable to parent properly and therefore perpetuate the cycle of problems in their children. Such support for adults can prove protective for their children, and save higher costs later on.

Reaching the most disadvantaged groups

The many recent achievements in tackling social exclusion mean that persistent social exclusion stands out ever more clearly. These small groups

of people, whose needs are often unique and complex, are particularly difficult to reach. Their engagement with universal services is usually patchy at best and sometimes non-existent. It is rarely effectively coordinated.

This small minority appears still to be experiencing profound exclusion and diminished life chances compared to the average. It is precisely because of the success to date that the remaining problems must be addressed. Failing to tackle social exclusion creates a cost to society. The UK's strong prosperous economy which is thriving in a globalised world could be strengthened even further if everyone had the opportunity to contribute and flourish.

Addressing these issues means a significant change in the way central and local government address social exclusion.

First, government must work harder to identify who is at risk and intervene in ways that are proven to work. It cannot ignore the fact that the cost of interventions at this most acute end is very high financially. But it is matched by the costs imposed in terms of quality of life for families and communities. As seriousness of problems rises, so does cost. At the same time likelihood of positive impact of interventions reduces.

Second, as fewer are left behind, performance management systems need to be sufficiently attuned to identifying when some people are being missed. For any single local authority or Primary Care Trust, the actual numbers suffering deep exclusion will be relatively small. The most excluded families are likely to do badly on a range of crucial outcomes such as employment, school standards and housing, but these may not be picked up in conventional area-based or service datasets. This is particularly important as while they may be few in number for each service, it is the same few families that are failing to be picked up in different service areas.

Third, more must be done to promote multi-agency working and address the needs of the whole family. Services need to be incentivised to personalise services around the needs of the individual and the family.

The next section sets out how Government is taking forward these issues in its renewed focus on social exclusion.

Reaching Out: An Action Plan on Social Exclusion

This paper has set out the Government's analysis of social exclusion, namely that there are a small number of localised problems which require intensive and specific action to help lift the hardest to reach groups out of poverty and disengagement from society. This requires solutions which are targeted, localised and tailored to the needs of individuals and families. These problems will not be solved by a 'one size fits all' approach. This thinking informs the measures which the Government is implementing.

Much of Government spending on socially excluded groups is directed at managing the symptoms of exclusion once problems have become entrenched. The Government is determined to shift efforts from 'treatment' to 'prevention' in order to break the cycle of disadvantage, offering opportunity to those who face the most deep-seated and complex disadvantage.

Breaking the cycle – a lifecourse approach

The Government has announced a series of specific new demonstration projects, based around a life-course approach to tackling the deep-seated exclusion. Much can be done during pregnancy and infancy to get children on the path to success and provide protection, but support needs to be persistent. Families fall in and out of risk and the best start can sometimes be thrown off track.

Early years – nurse family partnership pilots

In the early years of life, long before a child enters schools, behaviours are established that profoundly affect a child's life chances. The Government is already making large investments in tackling child poverty through the tax and benefit system and through expansion of services particularly Sure Start Children's Centres. However, international evidence suggested that intensive health-led home visiting can radically improve outcomes for both mother and child, particularly for the most excluded – and that outcomes can be sustained into adolescence.

In February this year, the Government announced the selection of 10 local areas in England who will be pioneering the Nurse Family Partnership project, based on David Olds' highly successful programme from North America. The programme will provide structured and intensive home visiting by health visitors to disadvantaged mothers from pregnancy until the child is aged two.

Children and young people

For children and teenagers, those who are particularly at risk include children in care, teenage parents and those with the lowest educational achievement. Every Child Matters is transforming children's services and bringing many important innovations. However, progress is not uniform and to support the processes of reform in the interests of the most disadvantaged groups, the Government has published the *Care Matters Green Paper* and *Teenage Pregnancy: Accelerating the Strategy to 2010* setting out proposals to transform outcomes for these high risk groups.

The Social Exclusion Action Plan announced pilots to test interventions for tackling mental health problems in childhood. The Government is currently undertaking development work for four sites across England to test out Multi-systemic therapy (MST). MST combines family and behavioural therapy with intensive family support services and is targeted at young people with mental health and conduct disorder problems. It has been shown to be highly

effective in overseas research settings. Sites will be announced by the end of May and the first services will be opened in January 2008.

The *'Incredible Years'* parenting programme has been rigorously evaluated in North America and now in Wales where impressive results have been achieved in research across 11 Sure Start centres. Families with a child aged 3 or 4 with significant behavioural problems attended a course of 12 group parenting sessions. The families who received the programme showed significantly increased positive parenting and marked decreases in the quantity and intensity if child problem behaviours. The *Incredible Years* is also being trialled in some of the 15 Local Authorities in England participating in the DfES *Early Intervention Pathfinder* programme for parents of 8-13 year olds at risk of negative outcomes.

Adults facing chronic exclusion

Adults facing chronic exclusion are often in contact with multiple agencies, with each person costing statutory services tens of thousands of pounds each year. Individual agencies sometimes miss those who have multiple needs and may fail to look holistically at the individual. The Social Exclusion Action Plan announced twelve pilots to improve service provision and support to secure better outcomes for adults who face chronic exclusion.

The focus of the pilots will be to improve access to a range of support services for this group through promoting both system change and practical help for people to improve their ability to engage. Key parts of the work include improving services at key points of transition, such as leaving prison or care. The pilots will be announced at the beginning of May.

Reaching Out: An Action Plan for Social Exclusion (published September 2007) sets out five principles of reform which are already guiding the Government's renewed approach to tackling the most entrenched forms of exclusion:

FIVE GUIDING PRINCIPLES OF REFORM	
Principles	**Progress to date**
Better identification and earlier intervention It is important to identify early those who are at risk of persistent exclusion and use this information to intervene and more effectively support those most in need before disadvantage becomes entrenched	➢ *New research published by the Institute for Education examining the potential for different types of indicators during the early years and childhood to predict later adolescent and adult outcomes.* ➢ *Work underway to develop new evidence-based assessment tools for use by midwives and health visitors. To be trialled from April 2007*
Systematically identifying what works There is a need to systematically identify and promote interventions that work, to	➢ *Developing options for a Centre of Excellence for Children and Family's Services to identify, evaluate and disseminate best practice for working with*

ensure effective adoption of best practice we will build the capacity of providers and	*socially excluded groups.* ➢ *Code of practice to give providers and commissioners the tools to both conduct and recognise effective programmes to be published July 2007*
Promoting multi-agency working We must break down barriers and enhance flexibility so local providers and agencies can work together to meet the needs of excluded groups, especially those facing multiple problems	➢ *Local Government White Paper published, providing a framework for improved multi-agency working at the local level around the needs of the most excluded*
Personalisation, rights and responsibilities We need to tailor services to the needs of the individual, empowering excluded groups to make choices or ensure there is an independent, trusted third party to work on their behalf	➢ *Launched pilots of budget holding lead professionals. 15 pilots have been set up in 16 local authorities.*
Supporting achievement and managing under-performance Where local authorities and services are delivering, Government will leave them alone. But where there is underperformance, Government will intervene	➢ *Social Exclusion Task Force working closely with HMT and other government departments to ensure that the next generation of Public Service Agreements address the unique challenges of the socially excluded*

Next steps for the Social Exclusion Task Force

A Families At Risk Review

Large investments are being made to promote positive outcomes for children and young people, including a major expansion in parenting provision and capacity. However, the potential impact of many of these investments is being inhibited by the quality of service provision and systems provided by adult services for the most excluded.

The Government aims to support all parents to fulfil their parenting responsibilities, effectively leading to better outcomes for both children and their parents, and increasingly service providers recognise the importance of making the compact between service provision and the individual more explicit. As a general rule of thumb, the most effective contracts are personal to the individual or family, albeit within a common framework of expectations.

Most families and children understand that behaviour has, and should have, consequences. It is part of our approach to ensure that is understood in all families, not just for their own good but also for the good of the wider community. The Social Exclusion Task Force is therefore leading a cross-Whitehall review on excluded and at-risk families. The review will look at how best to provide effective family support for families with additional or complex needs, and how to tackle and prevent poor outcomes for them. It will explore

the impact of a wide range of parent based risk factors and focus on three policy areas:

- **economic well-being** (including poverty, debt, skills, information and advice, work and the family)
- **health and family life** (including relationship breakdown, fathers, mental health, disability and domestic violence)
- **communities and staying safe** (including drugs, alcohol, housing, anti-social behaviour and communities).

The review will explore how intergenerational cycles of exclusion can end up resulting in problematic behaviour. It will also look at how well services aimed at at-risk children and adults are working together on the ground and how adults' services respond to their clients as parents rather than as individuals. Following a programme of research, analysis and consultation the Review will be published in summer 2007.
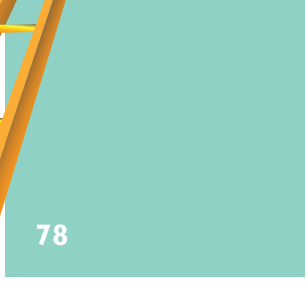
<u>Performance Management</u>

The most disadvantaged in society require high level intensive support from a range of agencies. Performance management systems for any one service often fail to pick up poor outcomes for this very small number. Solutions need to be coordinated across service areas, and performance management systems need to ensure that the groups at the bottom of the scale are lifted along with the rest.

The Social Exclusion Task Force is currently working across departments to consider how to develop a cross-government social exclusion Public Service Agreement (PSA) which could help both adults and families.

Key 2007 dates for the Social Exclusion Task Force

- Launch of **Families At Risk Review** on 28 February 2007

- **Three Social Exclusion Conferences** in March 2007, taking place in Brighton, Leeds and Birmingham to discuss progress to date since publishing the Social Exclusion Action Plan

- The **Nurse Family Partnership demonstration sites** go live April 2007

- The **Adults Facing Chronic Exclusion** pilots will be announced early May 2007

- The **Families At Risk Review** will be published summer 2007

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multi-agency working 80	79	78	77	76
61	**lead professional** 62	63	64	65
60	59	58	57	**job centre plus** 56
41	42	43	44	45
40	39	38	37	36