



Opportunity for all

Fifth Annual Report 2003



DWP

Department for
Work and Pensions



Opportunity for all

Fifth Annual Report 2003

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the Secretary of State for Work and Pensions
by Command of Her Majesty
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Foreword



Since 1997 we have been building a welfare system that meets the needs of the modern world. A system that tackles the poverty that blights people's lives now and denies opportunity to their children in the future. A system that reflects the choices we now make on how we work, how we bring up a family and when we want to retire.

As with previous years, this year's *Opportunity for all* monitors our progress towards the Government's goal of a fairer, more inclusive society where nobody is held back by disadvantage or lack of opportunity.

Our strategy is to tackle the root causes of poverty and make sure that children, families, disabled people and pensioners are offered the opportunity and security they deserve. We know that work is the best route out of poverty, so we are determined to give people the help and support they need to move from welfare to work and achieve our aim of full employment in every region.

To do this we have revolutionised the way benefits and help in finding a job are delivered, as well as tackling the discrimination that puts barriers in the

way of work. As a result, we have the lowest unemployment rate of any major industrialised country. Since 1997 we have helped nearly two million more people into permanent jobs and virtually eradicated long-term youth unemployment and, for the first time ever, over half of lone parents are in work.

The new Working Tax Credit and Child Tax Credit help people move from welfare to work – bridging the gap between support for those who are not working and help for those who are. As a result of the tax and benefit reforms since 1997, lone parents moving into full-time work at typical entry wages are up to £60 a week better off in work than on benefit. For pensioners, the new Pension Credit means around half of pensioner households stand to gain, on average, £400 a year.

However, we recognise that poverty is not just about income. We understand that people's opportunities and quality of life are also shaped by their education, by their skills, by access to quality health services, by decent housing and by the security and environment of areas where they live.

We want real lasting change to help individuals and communities take control of their lives. We are committed to improving public services, particularly for those people living in the most disadvantaged communities.

We have made great strides, but we realise that there is more that must be done. Poverty and social exclusion are deep-rooted problems that take time and effort to tackle. Our approach is evolving as we learn more about the barriers individuals face and what forms of support and intervention work best.

The first part of this year's *Opportunity for all* monitors progress against our strategy; the second explores issues relating to three vulnerable groups where we are aware that we need to develop

our understanding of the issues still further; and the third summarises arrangements for partnership and devolution on these issues throughout the United Kingdom.

I hope the indicators and analysis set out in *Opportunity for all* will inform the further action that we must take together to build a strong society where everyone can make the most of their potential.



Rt Hon ANDREW SMITH MP
Secretary of State for Work and Pensions

September 2003

Introduction

Opportunity for all was first published in September 1999¹. In our first report we set out our evidence-based strategy for tackling poverty and social exclusion. We also established our indicators of progress to audit the effectiveness of this strategy. We consciously set indicators that would be challenging: indicators that would show what we had achieved but that would not disguise poor progress.

By this, our fifth annual report, we have much to report as good progress in many areas. But undoubtedly there are areas that will require further effort if we are to realise the full potential of our investments in making a material difference to individuals' lives.

With such an established strategy in this area, there is now less need to repeat the details of each policy instrument in the overall strategy – these can be found in previous reports in the series. And as so many elements of the strategy are now so well reported across government, we are able to refer you to more detailed source material where appropriate.

The Devolved Administrations produce their own reports on social inclusion, outlining work in relation to devolved matters (Chapter three). These publications should be read in conjunction with this report. Respecting the devolved responsibilities, *Opportunity for all* concentrates only on those matters that continue to be reserved to the United Kingdom (UK) Parliament.

In broad terms in Great Britain, the UK Government continues to have responsibility for employment, fiscal and economic policy, taxation, benefits and pensions. The Devolved Administrations, in varying degrees, have responsibility for health, education and training, law and order, housing and economic development.

A summary of *Opportunity for all – Fifth Annual Report 2003* is published to accompany this full report. It includes a summary of the indicators of progress and it is also available in Welsh, Braille and on audiocassette from the Welfare Reform Order Line on 020 8867 3201.

And an innovation this year is a special section of the Department for Work and Pensions website, to accompany *Opportunity for all*. It contains more detailed information on the indicators, which will be updated as new data become available. The website can be accessed at www.dwp.gov.uk/ofa

This introduction simply outlines the structure of the main report. The report is split into three chapters and is followed by an annex containing the indicators of progress.

Our strategy

Chapter one summarises the four key elements of our strategy to alleviate poverty and social exclusion:

- making work possible (paragraphs 2–102);
- providing financial security and inclusion – primarily through work that pays (paragraphs 103–202);
- breaking cycles of deprivation (paragraphs 203–310); and
- improving public services for all (paragraphs 311–386).

Making work possible

We outline how we have created a stable macroeconomy conducive to steady and rising demand for labour (paragraphs 9–17).

We include an appraisal of what we have done to improve the flexibility and operation of the labour market, through active measures to help unemployed people back to work as quickly as possible and by measures to enable inactive and disengaged people to make the transition back to work (paragraphs 18–82).

Finally, we detail our strategy to enable people in low-paid jobs to acquire the skills to become more productive, and so to earn more (paragraphs 83–102).

Providing financial security and inclusion

Here we focus on the financial support we have established to boost the incomes of individuals – both in and out of work. For those of working age this is centred on making work pay, as this is the best route to escaping poverty and ensuring a comfortable retirement. We also address the issue of financial inclusion.

We begin by explaining how we are making sure that work pays, so that people will be better off in work than on benefit – through initiatives such as the National Minimum Wage and the Working Tax Credit (paragraphs 107–142). We also look at support for those for whom work is not an option (paragraphs 163–166), and at barriers created through problem debt (paragraphs 143–162).

We then move on to describe our efforts to provide financial security for pensioners, through both state and private pensions systems (paragraphs 167–202).

Breaking cycles of deprivation

Here we summarise progress towards breaking cycles of deprivation, which can lead to intergenerational transmission of disadvantage. We centre on targeting financial support and effective services for children, to break the poverty incomes and outcomes cycle.

We begin our analysis by focusing on our reforms to the system of financial support for children, particularly the new Child Tax Credit (paragraphs 207–225).

We then move on to the first opportunity to break cycles of deprivation through direct intervention – the early years (paragraphs 226–245). This explains our efforts to ensure that all children get the best possible start in life – for instance through Sure Start, which promotes the development of young children in disadvantaged areas.

We follow this by looking at the services for children who are particularly at risk, including looked-after children and those facing family breakdown (paragraphs 246–262).

We go on to describe our strategy for raising standards in education to enable all children to realise their full potential (paragraphs 263–295).

We end by focusing on the services that support young people through the transition from school to work – addressing the lack of basic skills (such as literacy) that may contribute to disadvantage in adult life (paragraphs 296–310).

Improving public services for all

We conclude Chapter one by returning to the theme of delivering high quality public services as a key part of our overall strategy to tackle poverty and social exclusion. Raising incomes is not the whole solution. Life chances are

significantly affected by people's social and economic background, and the quality of key public services has a vital effect on the well-being of many people.

We therefore describe our efforts to raise standards of delivery in healthcare (paragraphs 318–331), housing (paragraphs 332–360) and the environment (paragraphs 361–369), before concluding with details of crime and legal services (paragraphs 370–386).

Developing our understanding

Chapter two is a new-look chapter for 2003. It explores issues relating to key vulnerable groups where we are aware that we need to develop our understanding of the issues still further. We would appreciate your views on these issues in particular.

First, we concentrate on an analysis by family size. We draw attention to an area that, up to now, has received little attention in research. We look to explore some of the risk factors faced by large families (paragraphs 3–64).

Next, we highlight analysis of the additional risk factors faced by disabled people, in particular the link between work and disability (paragraphs 65–179).

Finally, we draw together our current understanding of the additional risk factors faced by some people from ethnic minority backgrounds (paragraphs 180–256).

Working in partnership

Chapter three highlights how the partnerships formed between the UK Government and other bodies (elected and non-governmental) have been crucial to delivering on our shared social inclusion agenda. It refers to the publication of the *UK National Action Plan on Social Inclusion 2003–2005*, as part of our commitment to this agenda in Europe.

The chapter briefly outlines the complementary social inclusion strategies of the Northern Ireland Executive (paragraphs 6–10), the Scottish Executive (paragraphs 11–27), and the National Assembly for Wales (paragraphs 28–31).

Finally, we describe the UK Government's partnership working with the voluntary and community sector in developing and evaluating policies to tackle social exclusion (paragraphs 32–37).

Annex: Indicators of progress

We continue to report on the indicators of progress that we established in 1999. To maintain consistency with our reporting in previous years, the indicators are organised into lifecycle and area-based clusters. Feedback from readers tells us that the **Annex** is a widely used reference, and so we have kept a similar layout to previous years. It includes a summary table of overall progress (pages 159–161).

Our indicators are also available online at www.dwp.gov.uk/ofa

Chapter one: Our strategy

Introduction

1. This chapter summarises the four key elements of our strategy to alleviate poverty and social exclusion:
 - ensuring that work is possible – through the maintenance of a stable macroeconomy, delivery of active labour market policies, and the promotion of the improvement of skills;
 - providing financial security and inclusion – primarily by ensuring that work pays, and by promoting financial security in retirement;
 - breaking cycles of deprivation – through preventative strategies such as early years intervention and the provision of good quality education; and
 - improving public services for all.
2. For almost two decades until 1997, the number of people living on low incomes almost doubled. This was not mainly as a result of rising unemployment or inactivity – the rates of unemployment and inactivity were much the same at the beginning of the period as at the end. It was rather because worklessness had become more concentrated as inactivity rose among men lacking skills and as the number of lone parents and single person households grew, in particular lone parent households.
3. Work is an integral part of most adult lives. The ability to participate in productive activity contributes significantly to both physical and psychological well-being. The potentially negative consequences of being out of work extend well beyond the loss of financial rewards. They often include loss of a role, social contact, daily routine, feelings of participation, and self-esteem and self-worth.
4. Significant numbers of people of working age remain inactive and in receipt of an incapacity benefit for a considerable time. We need to do more to help them get back to work. Failing to do so will have long-term consequences not only for the individuals and their families, but also for the economy through the loss of skills, talent and opportunity, and the use of public resources to pay people to be inactive.
5. Working-age adults living in workless households are around five times more likely to live in low income than those where one or more adults work¹. And we know that the chances of leaving low income fall the longer the spell of worklessness lasts². For men in couples, for example, each additional year of unemployment decreases the probability of finding work by 17 per cent³. For couples, one partner finding work significantly increases the chances of the other moving into employment⁴.

Making work possible

2. For almost two decades until 1997, the number of people living on low incomes almost doubled. This was not mainly as a result of rising unemployment or inactivity – the rates of unemployment and inactivity were much the same at the beginning of the period as at the end. It was rather because worklessness had become more concentrated as inactivity rose among men lacking skills and as the number of lone parents and single person households grew, in particular lone parent households.

6. Our analysis has also reflected upon the decline in the unskilled labour market and a steady fall in the returns from low-skilled work relative to skilled work⁵.
7. A key part of our strategy to tackle poverty focuses therefore on raising employment rates and, in particular, on enabling people at risk of long-term worklessness to get a job or become self-employed and prosper in the labour market.
8. We are doing this by:
 - creating stable macroeconomic conditions conducive to steady and rising demand for labour and opportunities for self-employment (paragraphs 9–17);
 - ensuring that work pays – so that people are better off, and know they will be better off, in work than they are remaining on benefits (paragraphs 107–142);
 - improving the flexibility and operation of the labour market – through active measures to help unemployed people back to work and to enable inactive and disengaged people to make the transition back to work (paragraphs 18–82); and
 - improving skills – providing people with the widest possible opportunities to learn and train throughout their lives, ensuring that the skills people have meet the needs of employers, and helping them to start their own businesses if they wish (paragraphs 83–102).

A stable macroeconomy

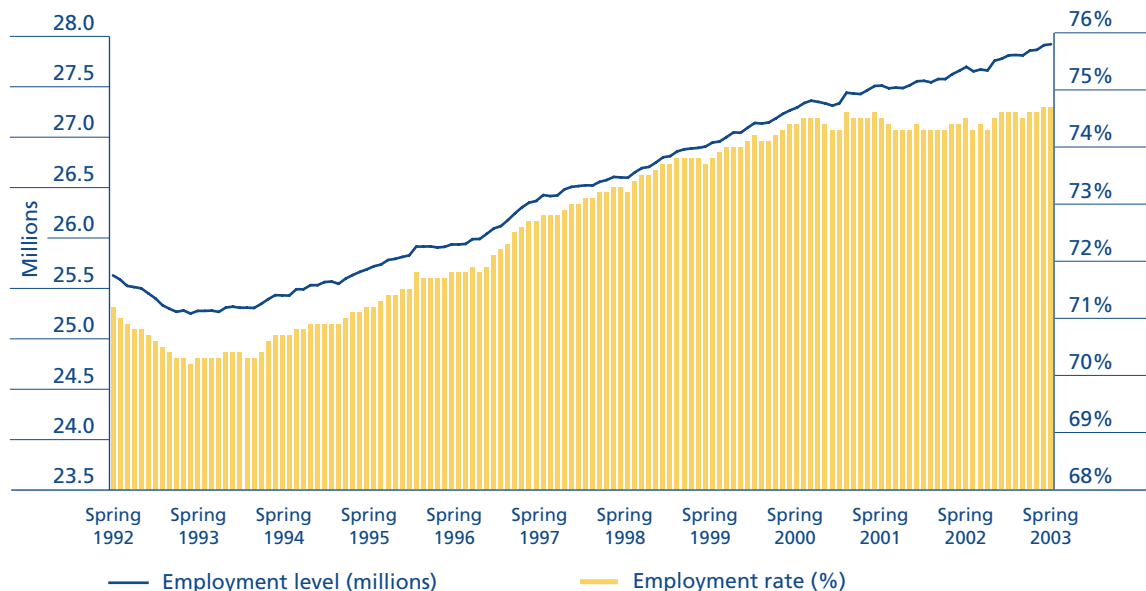
9. It is not possible for an economy to reach full potential if a significant minority of people are out of work involuntarily and, therefore, not able to contribute. During the 1980s and early 1990s, macroeconomic instability – a cycle of boom and bust – was deeply damaging to the labour market. There were sharp falls in employment during the recessions, and peaks in the numbers unemployed. Worklessness became increasingly concentrated on disadvantaged groups and on people with low levels of skills. Long periods spent out of work caused people to drift further away from the labour market, losing the skills, motivation and confidence to re-enter the market and then to progress their careers.
10. Macroeconomic instability also discourages enterprise and self-employment, because smaller businesses are often least well placed to cope with economic instability. They are less likely to have internal reserves upon which to draw in times of distress, and less diverse product or customer bases may make them more vulnerable to fluctuations in demand.
11. Now, however, employment levels continue to rise year on year. Figures for the latest quarter (spring 2003) show that in Great Britain there were 27.9 million people in employment, including self-employment – an increase of over 200,000 over the year (Chart 1.1).

12. Although women’s participation in the labour market has been increasing, they still have lower employment rates than men and they are particularly likely to have low incomes at key points in their lives. For example, both lone mothers and single women pensioners are more likely to have persistently low incomes and be more vulnerable to falling into poverty. Women are heavily concentrated in a few occupations and these tend to be low skilled, part time and low paid, which in turn contributes to the gender pay gap. Whilst there are a number of occupations

that are male dominated, men are not concentrated in certain occupations to the same degree and the jobs they tend to do are better paid.

13. These disadvantages partly stem from the fact that women are much more likely than men to have caring responsibilities for dependent children and to be concentrated in low-paid occupations. Breaks from employment combined with long periods of low income or economic dependency in the past have a significant impact on women’s incomes over the lifetime.

Chart 1.1: Employment rates and levels for working-age people (Great Britain)



Source: Labour Force Survey (LFS).

Note: This chart is for United Kingdom (UK) rates and levels, whereas the Public Service Agreement (PSA) target is for Great Britain. Unlike Great Britain LFS data, UK LFS data offer a consistent, seasonally adjusted time series that has been revised in line with the 2001 Census. Long-term trends differ very little between Great Britain and the UK.

14. As well as creating the conditions for the United Kingdom (UK) as a whole to improve its economic performance, we have strengthened the regional tier to provide the catalysts for growth in every region, through the Devolved Administrations in Scotland, Wales and Northern Ireland and the Regional Development Agencies in the nine regions of England.
15. Local authorities also have a crucial role in leading and developing partnerships and networks with the public sector, business and individuals to create meaningful and achievable strategies to increase local prosperity and drive up economic growth.

Case study – Partnership working

Nottinghamshire County Council, in partnership with seven district and borough councils, has for a number of years been working to address the impact of structural change (mainly due to the loss of nearly 40,000 jobs in the mining industry). The partnership delivers or supports a wide range of activities with the theme of removing barriers to work. This is done both by supporting individual learners and jobseekers and by helping businesses in the local community. Specific activities include:

New Deal employer option

85 people have been employed and a partnership Public Service Agreement has been signed to help recruit a further 200 people to Nottinghamshire's public sector over three years.

New Deal Environmental Task Force

One of the first Intermediate Labour Market programmes in the country has been established. Through a unique partnership structure the county council is offering support and guidance to providers, who deliver high quality job outcomes.

Adult and community learning service

The county council believes that the development of lifelong learning underpins many of our wider social and economic goals. To help with this, it has a team of dedicated individuals who work in local communities helping to raise the aspirations and achievement levels of people of all ages. By July 2002 around 14,650 people had enrolled on more than 1,600 courses at over 300 venues in the county.

Nottinghamshire training opportunity

This innovative programme links unemployed people with growing small to medium enterprises. The programme has helped over 1,200 companies and 3,600 individual jobseekers.

Connect project for the call centre industry

This is an employer-led training initiative to respond to the growing number of opportunities in this service sector. More than 400 people have been placed in jobs, and over 35 companies have been helped with their recruitment and training needs.

16. Although the level of employment continues to increase year on year, we recognise that there is more to be done to help people find and stay in work (for example, those people with low levels of basic skills) so that they are not prevented from playing an active part in the labour market.
17. It is therefore essential that we tackle the issues facing not only unemployed people but also those who are currently inactive and out of touch with the labour market. If we are to achieve our goals of high and stable employment, it is also vital that we tackle stubborn inequalities in the labour market affecting particular neighbourhoods and people from particular ethnic minority backgrounds.
18. There is clear evidence that equal access to services does not guarantee equal outcomes in the labour market because of discrimination, lack of job networks, lack of command of English, and low expectations of job availability⁶.
19. Since 1997 we have built a set of labour market policies that extend help to all people on benefits while concentrating more resources on those who need it most. Policies for long-term unemployed people aim to ensure spells of unemployment are as short as possible. We have been doing this, for example, through New Deals for young people and those aged 25 or over, and we have virtually eradicated long-term unemployment for young people. In July 2003, there were just 5,400 18–24-year-olds unemployed for a year or more, compared with more than 300,000 in 1986. We have had similar success with long-term adult unemployment – a reduction from one million in 1986 to less than 150,000 in July 2003.
20. Whilst the improvements have been spread across the UK, we are also addressing the inequalities affecting particular neighbourhoods and groups – for example, through Action Teams for Jobs and Employment Zones, and interventions aimed at people from ethnic minority backgrounds, together with programmes of intensive support being piloted in neighbourhoods with high concentrations of worklessness from April 2004.
21. We will continue to develop the support that inactive people need to re-engage with the labour market – for example, through New Deals for lone parents, disabled people and those aged 50 or over.
22. The big challenge is to reverse the trend of people on sickness and disability benefits. In 2003 there were 2.7 million people of working age receiving incapacity benefits in the UK, and around 700,000 people move on to these benefits each year. Most of those expect to get back to work at the start of their claim, and for many there is nothing about their health condition that makes that aspiration unrealistic.
23. Jobcentre Plus has a range of support available to jobseekers, the intensity increasing with the length of time out of work. For the minority of people who do not find work quickly, more intensive help to find employment or to move into self-employment is provided through New Deal programmes.

Active labour market policies

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Case study – New Deal for Young People

Back in 2001 Kris Mason, 27, had been unemployed for three years and dreamed of owning his own record label. Now, he is working with some of the biggest names in the music industry and recently brokered a £1.3 million deal with Universal Records.

"I'd spent some time working for Kronik Records as a Label and Studio Manager before it went bankrupt and I knew that I wanted to work in the music industry," says Kris. "But in all the years I was going down to the Jobcentre, there was never anything suitable."

So Kris decided to take things into his own hands. When he was placed on New Deal for Young People, he told his personal adviser about his ambitions to own his own studio and label, and she took him seriously.

"She put me in touch with a woman called Sheila Kaye who worked for a company called the Nescot Training Group. Sheila helped me to put together a business plan and get a £250 start-up grant from New Deal."

Kris then approached Hammersmith and Fulham Council to find a property, which is when his story starts sounding like something straight out of a fairy tale. Within a few months he had formed his own label – Longtime

Records – with three other partners, acquired a studio and was brokering deals for Top 40 act Just 4 Jokes.

But remarkable as Kris's rapid rise is, it is only the beginning. "I'm currently working on three albums, including a fifty-fifty collaboration with the singer Jocelyn Brown and family and one with hip-hop producer Juliano Creator. But one of the biggest things we're sitting on at the moment is an Indian rapper called HardKaur, who we discovered in Birmingham. We've hooked her up with a management company called Ambush, part of the group owned by Simon Fuller, the same bloke who managed the Spice Girls. And EMI, Island and BMG Records are all interested in signing her."

But Kris isn't letting the lifestyle go to his head. His first love remains the music and he's made a point of working with talent, not egos. "There are no rules in the music industry, so I'm trying to work with nice people who aren't money hungry. The idea is to network and make friends with people, not just a quick buck."

That's not to say Kris isn't doing well financially. "I'm not bling-blinging it yet, but I'm doing all right," he laughs. "This whole thing has been like one big puzzle falling into place in front of me. By putting me in touch with Sheila, the Jobcentre provided me with the biggest piece. If they hadn't done that, I wouldn't be doing what I'm doing today."

Case study – New Deal 25 plus

After years spent trying to break into the bespoke jewellery market, Carl Stanley, 28, now has his own studio in Stourbridge and is starting to build up a clientele.

“I started off back in 1998 doing glass panels and clocks, but I just didn’t seem to be breaking into the market,” he says. “I was unemployed for a couple of years while I was trying to work out what to do next, but then I ended up on New Deal 25 plus.”

Carl’s personal adviser, Tina, gave him a lot of support and a bit of money to help cover the cost of insuring a studio and buying some silver.

“She also put me in touch with the Birmingham Chamber of Commerce, and they gave me loads of advice on how I should be selling my stuff. I started doing a couple of jewellery parties, and things started taking off.”

Carl has recently acquired an agent to start selling his work more widely to galleries and has also just completed a sculpture for Birmingham Library. “It took a while, but Jobcentre Plus gave me the confidence to give it another crack.”

24. To the end of March 2003, New Deal 25 plus had helped over 140,000 people into work, including self-employment. And further improvements to this programme have been introduced from April 2003, in the form of two pilots. The first looks at providing more intensive help to New Deal 25 plus participants in the first four months on the programme by introducing a mandatory Gateway to Work course. The second is investigating the effectiveness of offering New Deal help to people who have experienced periods of unemployment for a total of 18 months over the previous 3 years rather than 18 out of the previous 21 months.
25. One of the main developments since last year’s *Opportunity for all* report⁷ is the agreement of Frameworks for Regional Employment and Skills Action in each English region. These identify skills gaps and other labour market issues in each region, and set out strategies to address these issues.
26. We have three **indicators of progress** to monitor employment and work trends:
 - an increase in the proportion of working-age people in employment;
 - a reduction in the proportion of children living in workless households; and
 - a reduction in the proportion of working-age people living in workless households.

Indicators on employment for specific groups and areas are discussed later in this chapter (paragraphs 56 and 66).

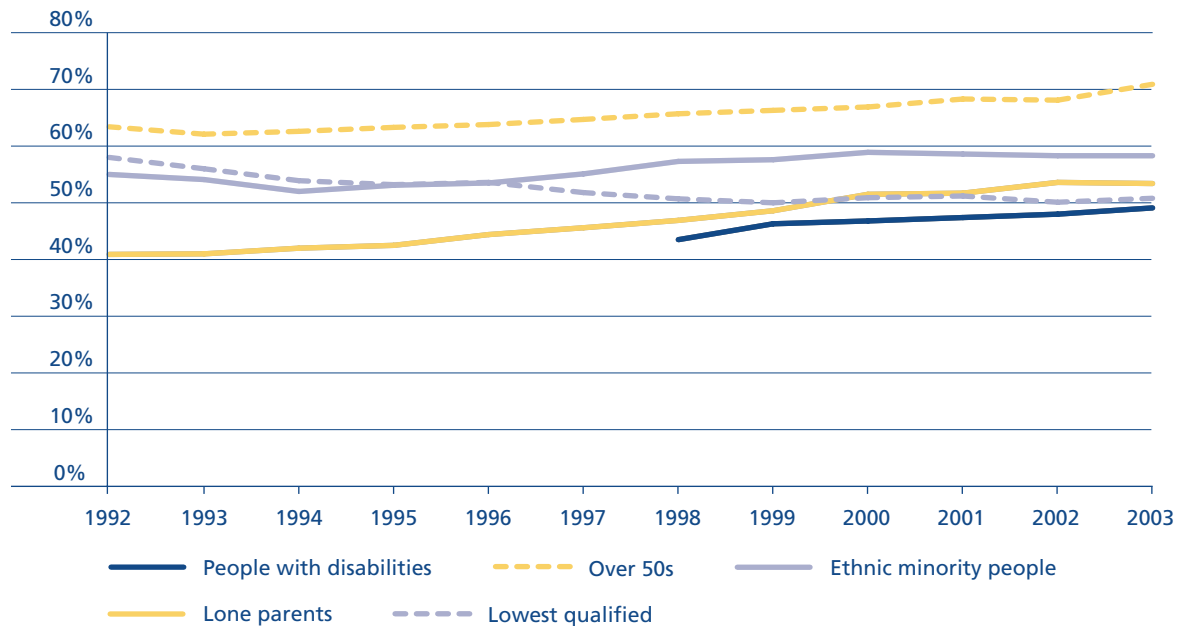
Narrowing inequalities in employment

27. Universal help and support through Jobcentre Plus and services such as the New Deals are the bedrock of our active support for workless people. But worklessness is not evenly spread across the UK. And although overall employment rates and levels are historically high, those for certain disadvantaged groups are still considerably lower than the overall rate.
28. We have therefore set ourselves Public Service Agreement (PSA) targets to ensure that progress is made on increasing the employment rates for

disadvantaged groups and on significantly reducing the difference between their employment rates and the employment rate of the population as a whole. And one of our **indicators of progress** compares the employment rates for lone parents, people with disabilities, ethnic minority people, people aged 50 or over, and those with the lowest qualifications.

29. Chart 1.2 shows that employment rates have increased since 1997 for all of these groups, except for the lowest qualified where they have remained at around 50 per cent.

Chart 1.2: Employment rates of disadvantaged groups (Great Britain)



Source: Labour Force Survey, spring quarters.

Note: Data for ethnic minority people from 1998 onwards are not directly comparable with earlier years.

Flexible working

30. The ability to work flexibly is key for many individuals to participate in the workplace, particularly those with caring responsibilities. Our Work-Life Balance Campaign seeks to encourage the provision of flexible working opportunities across the workforce by persuading employers of the potential benefits to their businesses. In addition, a package of measures introduced in April 2003 now gives parents more choice in how they balance childcare and work. This includes the new right to request flexible working for parents with children under the age of 6, or with disabled children under 18, and places a statutory duty on employers to consider such requests seriously.

Helping lone parents into work

31. There is evidence that most lone parents want to have the choice of combining paid work with the vital job of being a parent⁸. Undeniably, they face a lot of barriers along the way. Our strategy is to address these and offer support and advice to encourage lone parents to move closer to the labour market and into work.
32. As a result of these measures the employment rate for lone parents has increased by 7 percentage points over the six years between 1997 and 2003, reversing a long-term trend. For the first time ever, more than half of all lone parents (53 per cent) are in work.
33. This success has been driven in part by New Deal for Lone Parents. Evaluation has shown that participants are roughly twice as likely to move into work than their counterparts who do not participate⁹. The analysis shows that 43 per cent of participants moved into work, compared with 19 per cent of a matched group of non-participants. This suggests that 24 per cent of participants found work who would not otherwise have done so. New Deal for Lone Parents also appears to increase significantly the rate at which lone parents leave Income Support.

Case study – New Deal for Lone Parents

Shorzan Bibi had never worked and lacked confidence when she joined New Deal for Lone Parents. But after a lot of support, she secured her first ever job with the Metropolitan Police in their busy Limehouse Police Station call centre.

Shorzan went along to an open day held at Stratford Town Hall, where the Metropolitan Police gave a presentation to jobseekers. Those who attended were then invited to complete an application form if they met the criteria, or to enrol on a four-week job-focused training course delivered by Action for Employment. The course was tailored to the Metropolitan Police's requirements, covering the skills needed for the job, and how to make a successful application. Anyone who completed the course was guaranteed an interview. Shorzan successfully passed her interview and has been in permanent employment for over a year.

34. Mandatory work-focused meetings with personal advisers are also being introduced, on a rolling basis, for lone parents claiming Income Support. These aim to introduce lone parents to the services available to help and support them in finding work, and to refer them to New Deal for Lone Parents where appropriate. Recent evaluation of these work-focused meetings shows that they have significantly improved participation in New Deal for Lone Parents, and have directly increased the numbers no longer in receipt of Income Support¹⁰.
35. We are looking at enhancements that will encourage and give support to lone parents who choose to look for employment. For example, we will be introducing Discovery Weeks in six metropolitan districts to help build the confidence of lone parents, provide them with career guidance and enable them to meet with employers.
36. Furthermore, we will be introducing pilots of Worksearch Premium and In-work Credit in eight Jobcentre Plus districts. These will offer a new £20 weekly allowance for lone parents actively looking for work, and a £40 weekly credit for the first year of work, on top of other benefits or tax credits.
- The role of childcare**
37. Childcare is one of the barriers to employment most commonly reported among non-working parents and, in particular, lone parents¹¹. When asked their reasons for not working, 30 per cent of non-working lone parents mentioned lack of affordable childcare and 78 per cent agreed that they would prefer to go to work or study if they had access to suitable childcare¹².
38. There has been continued expansion in childcare provision as a result of the National Childcare Strategy in England, now part of Sure Start. More than 700,000 new childcare places had been created by March 2003, benefiting well over 1.2 million children. We are on track to deliver new childcare places for 1.6 million children by 2004 and for over 2 million children by 2006. Since 1998 we have also guaranteed, in England, free, part-time early education for all 4-year-old children whose parents choose to use this provision. By April 2004 all 3-year-old children will enjoy this right.
39. We recognise the pressure that childcare costs can exert on the family budget, and are continuing to provide substantial help to lower- and middle-income families through the tax credit system.
40. Around 260,000 families received help with up to 70 per cent of their eligible childcare costs through the childcare tax credit component of Working Tax Credit in July 2003. This is higher than the number under Working Families' Tax Credit and a dramatic increase from the 47,000 who had help with childcare costs under Family Credit¹³.

41. This assistance was improved, and made more flexible, as part of the new Working Tax Credit from April 2003, including making payment direct to the main carer. We have also extended the eligibility to the childcare element of the credit (through the introduction of the Home Childcarers Scheme) to help with the costs of approved childcare in the home, which will be of particular benefit to parents with disabled children.
 42. In addition, through New Deal for Lone Parents, Jobcentre Plus staff can now provide considerable help with both finding and paying for childcare. Personal advisers can talk through childcare issues, and subsidies are available for those on the programme who attend training, as is help with up-front childcare costs for those entering work.
 43. We are committed to ensuring that there is accessible childcare, particularly in the poorer, rural and most disadvantaged areas. The first 32 flagship children's centres were launched in June 2003 and one of these, in Oswestry, Shropshire, offers services to children in local rural communities.
 44. In addition, we will be piloting childcare taster sessions to lone parents on New Deal for Lone Parents to see if the available childcare suits their needs. The pilots will operate in the six metropolitan areas of London, Birmingham, Glasgow, Leeds, Liverpool and Manchester.
 45. We are working with a variety of partners, including local authorities and voluntary organisations, to ensure that children with disabilities and/or special needs can benefit from the continued expansion of childcare. Local authorities have been provided with more and flexible resources, and clearer guidance on the effective approaches to creating inclusive childcare provision.
 46. We will be using the Early Support Pilot Programme to model innovative and good practice approaches. The programme is designed to fund demonstration projects that seek to improve the early identification, intervention, co-ordination and effectiveness of services for very young disabled children.
 47. We will support providers to meet the needs of those children and ensure that during the roll-out of children's centres and other major programmes such as Extended Schools and Children's Trusts they provide, or commission, inclusive services.
- ### New Deal for Partners
48. Movement into work is a particular problem for adults who have been inactive in the labour market for a long period of time. Research has shown that when one member of a workless couple finds work this can increase the chances of their partner finding work by three times^{14, 15}.

49. New Deal for Partners is a voluntary programme available to partners of people claiming Jobseeker's Allowance, Income Support, Incapacity Benefit or Severe Disablement Allowance.
50. To increase the effectiveness of this programme, a number of changes will be introduced from April 2004. Receipt of full benefit will be made conditional on partners of working-age benefit recipients taking part in Work-Focused Interviews. These will be interviews to encourage them into the labour market and, if other support is needed, to refer them to New Deal for Partners.
51. Alongside this, New Deal for Partners will be enhanced to include the same level of support currently available to lone parents participating in New Deal for Lone Parents.

Helping disabled people into work

52. Our welfare to work strategy is proving to be a success for most groups, but the many people in receipt of incapacity benefits have not shared proportionately in that success. Whilst the numbers moving on to incapacity benefits have fallen by nearly a quarter between 1997 and 2002, total numbers continue to rise because the numbers leaving it remain low. Once a person has been in receipt of Incapacity Benefit for 12 months, they will, on average, remain on benefit for around 8 years.
53. Reasons for the increase are complex, but dislocation from the labour market because of industrial restructuring and recession is an important contributory factor. Our commitment to creating a fairer, more inclusive society means we must do more to help this group participate in the labour market wherever that is possible. Later in this report, we set out more detail of our strategy (Chapter two, paragraphs 112–148).

Help for recovering drug misusers

54. We have introduced the progress2work initiative to help recovering drug misusers find employment and therefore more stable lives. The initiative continues to roll out across all 90 Jobcentre Plus districts.

Key features are:

- specialist caseworkers under contract to Jobcentre Plus to support clients from treatment to work;
- support through mainstream programmes such as the New Deals;
- help with job placement and continuing support for the first 13 weeks of employment;
- joint planning support and referral with drug treatment agencies; and
- training for Jobcentre Plus staff to identify and refer those with drug problems.

55. We are building on this initiative with progress2work linkUP – by piloting similar opportunities to ex-offenders, homeless people and alcohol misusers in a limited number of Jobcentre Plus districts.

Improving opportunities for older workers

56. One of our **indicators of progress** shows a steady rise in the employment rate for older workers, currently 70 per cent. Between the launch of New Deal 50 plus in April 2000 and the end of March 2003, over 98,000 people returned to work with the help of the programme's in-work financial support. This was paid as an Employment Credit up to March 2003, and is now paid as a 50 plus element of the Working Tax Credit. Over a third of these people had a disability.

Case study – New Deal 50 plus

Bryan had been unemployed for over a year and was looking for work within a warehouse/stock control environment, but at 55 he was doubtful of finding it. He joined New Deal 50 plus and was offered a job with Solid Systems Computer Services Ltd in Derby. Through New Deal 50 plus he receives an extra £60 a week on top of his wages, and a New Deal 50 plus Training Grant has paid for him to become a registered fork-lift truck trainer.

At the end of 2002, after nine months of employment, Bryan was named employee of the year. He is logistics manager for the company and is now looking to fill his warehouse/IT tester post with a recruit from New Deal 25 plus. He says New Deal helped him into a job and proved that he can still work, so he wants to use this opportunity to help someone else get back to work.

57. Help in getting back to work is only one of the steps we have taken to increase the employment rate of people aged 50 or over. In December 2002 we published *Simplicity, security and choice: Working and saving for retirement*, which set out proposals to increase further the employment of older people and to create opportunities for older people to stay in work longer through more flexible approaches to retirement.¹⁶
58. The proposals that form part of our Extending Working Life agenda include allowing individuals to continue working for their employer while drawing their occupational pension, and encouraging occupational pension rules that support flexible retirement. In the future, the concept of a normal retirement age will no longer feature in the tax rules, although some pension schemes may choose to continue with this term to identify when an unreduced pension would become payable under the terms of the scheme. This proposal will be implemented from April 2005, when the new Inland Revenue tax regime is introduced.
59. A package of more intensive help for people aged 50 or over will be developed, enhancing the support available through New Deal 50 plus, and working with local organisations to extend information about back-to-work help.
60. The Age Positive campaign uses publicity tools to promote the business benefits of age-diverse employment practices to employers. The campaign makes use of the *Code of Practice on Age Diversity in*

*Employment*¹⁷. This work will be intensified in the run-up to the introduction of legislation to outlaw age discrimination in employment and training by October 2006.

A refugee employment strategy

61. Around one in three refugees of working age is unemployed – six times the national average. Many refugees have employment skills and experience of value to the UK labour market so it makes sense, economically and socially, for us to help them to use those skills wherever possible. Having a job is one of the most effective ways for refugees to feel economically and socially included, to begin the process of rebuilding their lives and to help them towards integration.
62. In August 2003 we published *Working to Rebuild Lives – a preliminary report towards a refugee employment strategy*¹⁸. This will be followed in spring 2004 by a full refugee employment strategy. The strategy will aim to reduce the unemployment rate of refugees, increase their participation on employment and training programmes, and provide them with a responsive, quality service that equips them with the skills they need to get jobs.
63. Meanwhile there are three areas of work under way to inform the emerging strategy:
 - a prototype work-related English for Speakers of Other Languages course with support specifically designed to meet the needs of refugees;

- a pilot to test early employment support for unemployed refugees; and
- research into the need for interpreter support in Jobcentre Plus offices.

Disadvantaged neighbourhoods

64. Whilst unemployment nationally is at the lowest level for a generation, there are still neighbourhoods with high concentrations of people out of work. These include former coalfield areas such as Blaenau Gwent and Easington and inner city areas including Newham and Tower Hamlets. Unemployment rates in the worst five per cent of wards are estimated to be two-and-a-half times as high as the rates for England as a whole, and there is evidence of much greater inequality at a local level within wards – at the level of a few streets or an estate.
65. When looking at inactivity more broadly, those neighbourhoods with high levels of unemployment also experience very high levels of economic inactivity. At ward level, total benefit claimant rates can exceed 50 per cent of the total resident population. Such inequalities are masked by assessments at a regional level that demonstrate a much more even and stable picture of unemployment and economic inactivity.
66. To bear down on this problem, the National Strategy for Neighbourhood Renewal established a PSA target to improve the employment rates in the 30 local authority areas with the worst employment rates, and reduce the gap with the rest of England. This is one of our **indicators of progress** and Table 1.1 shows the progress we are making in closing the gap.

Table 1.1: Employment rates in the most deprived local authority areas compared with the overall employment rate (Great Britain)

	Employment rate for the 30 most deprived areas (per cent)	Great Britain employment rate (per cent)	Employment rate gap (percentage points)
2000	62.2	74.6	12.4
2001 Baseline	63.2	75.0	11.8
2002	63.7	74.8	11.2
2003	64.4	75.0	10.6

Source: Labour Force Survey, four-quarter averages to spring.

67. Our comprehensive solution to poverty and unemployment has to involve raising levels of economic activity – and to achieve this, enterprise must be accessible to all. Enterprise and self-employment can offer a route out of poverty and social exclusion for many individuals. However, people living in disadvantaged neighbourhoods find it harder to access finance and business support. Barriers to enterprise can be significantly higher in the most disadvantaged areas, and levels of business start-up are up to ten times lower in the most disadvantaged areas than in the most affluent.
68. To tackle this issue, we are concentrating policies on the 15 per cent most deprived wards across the UK – each has been designated as an Enterprise Area. We are making enterprise in disadvantaged areas and among disadvantaged groups one of the key priorities of the Small Business Service and the network of Business Link operators. We are also working to improve access to finance by supporting community development finance institutions and by working with the private sector to improve access to venture capital.
69. In addition, we are working to tackle property market failure and the lack of suitable business premises. Our policies include an exemption from stamp duty for all commercial property transactions, help with access to finance through the community investment tax relief and the Bridges Community Development Venture Fund, and help for specialist business support providers and community development finance institutions from the Phoenix Fund.

70. The Social Exclusion Unit is currently looking at what more should be done to tackle these local concentrations of worklessness, and in particular at what can be done in these local areas to help people become self-employed or leave cash-in-hand jobs in the informal economy for formal employment. The Social Exclusion Unit will report in 2004.

Action Teams for Jobs

71. There are currently 63 Action Teams, including one in each of the 30 local authority districts that we have targeted in our PSA to increase employment in disadvantaged areas. The teams work with employers in local communities, and use funding flexibly to help people to address the problems that are preventing them from getting into work.
72. Action Teams are having a positive impact on the lives of disadvantaged people in the most economically deprived areas. They are specifically targeted at people with complex and multiple barriers to employment.
73. By the end of April 2003, Action Teams had helped over 77,000 jobless people into work. The majority found the teams helpful, and our research shows that over 40 per cent of participants find work and about 80 per cent of these move into sustained work lasting for more than 13 weeks¹⁹.

Case study – Action Teams for Jobs

Salim is profoundly deaf and had been unemployed for over five years. He was referred to the Action Team by his New Deal personal adviser, who had been working with another initiative called Action for Employment in Darlington (an initiative to help deaf and blind people).

Action for Employment had managed to find an employer for Salim, but were unable to offer any financial support towards the tools and clothing he needed to take up employment. Salim and his personal adviser put together a list of essential items that would enable him to start work. The Action Team bought his tools and New Deal bought the required work clothes.

Salim is now in full-time employment for a sub-contractor of the local authority, working on property repairs. When he was given his tools Salim was rather emotional, thanking all concerned for the help he had been given and saying that, without it, he was sure he would still be claiming benefits.

Employment Zones

74. Employment Zones are situated in 15 areas of Great Britain with some of the highest levels of long-term unemployment²⁰. They cover larger areas than those covered by Action Teams. Through the Employment Zones, contractors are trying an alternative approach to help long-term unemployed people into sustainable work.
75. Evaluation suggests that personal advisers have considerable discretion in assessing financial risks and rewards associated with each client; that the financial rewards are a key driver of the programme; and that clients are categorised according to their likely success in achieving a positive outcome²¹.
76. A comparative study suggests that the ways in which New Deal and Employment Zone personal advisers operate are quite similar, with similar amounts of contact and barriers faced²². New Deal personal advisers were more likely to refer clients to external providers and felt less autonomous than Employment Zone personal advisers. The target system for New Deal was also more complicated.

Case study – Employment Zones

When he joined the Employment Zone, Tony had been unemployed for seven years. He was reluctant to apply for jobs because he had literacy and numeracy difficulties, and his self-confidence was so low that he felt sure he would be unsuccessful.

Through a literacy and numeracy course and work with his personal adviser, Tony's confidence grew. He attended literacy and numeracy classes run by the contractor's in-house trainer, where learning methods were tailored to his needs.

A critical part of the course was building Tony's self-confidence, and after gaining qualifications he stayed on to help other participants in the classes, which helped him even more. Tony also felt that he benefited greatly from the opportunity to meet all sorts of people from different cultures.

With his improved skills and confidence, Tony began to attend job interviews. He got a job as an assistant caretaker and was put forward for promotion just three days after he started work.

77. In the Pre-Budget Report 2002, the Chancellor of the Exchequer announced our intention to continue operating Employment Zones and to extend zone provision to new client groups – lone parents and 18–24-year-olds who will join the zone instead of being referred to New Deal for a second time²³.
78. Extending Employment Zones is an acknowledgement of how well they have performed since their introduction in April 2000. Of the people entering an Employment Zone between January and December 2001, 41 per cent moved into employment by the end of December 2002, and 82 per cent of this employment was sustained for at least 13 weeks.
79. Also, Multiple Provider Zones will be introduced from April 2004 to test whether competition increases programme performance. These will be situated in the largest eight existing zones and will be operated by more than one contractor. It is hoped that Multiple Provider Zones will increase the proportion of clients achieving sustained jobs relative to the achievement of a single provider.

Worklessness Pilots

80. The Pre-Budget Report 2002 also set out plans to test a new approach of offering intensive support to residents in neighbourhoods with very high concentrations of worklessness.
81. From April 2004 pilots will begin in 12 sites to help residents access the jobs that can often be found within travelling distance of where they live.
- Residents claiming Jobseeker's Allowance will benefit from accelerated access to New Deal programmes or to the Employment Zone after just three months of unemployment.
 - Partners and lone parents will attend more frequent interviews with personal advisers.
 - New Incapacity Benefit claimants will also be given more help to ensure that employment opportunities and barriers to work are regularly discussed.
82. There will be access to a flexible discretionary fund to allow personal advisers, working in co-operation with local strategic partnerships, to tackle the substantial and varied barriers that prevent residents in these neighbourhoods from returning to work. This will provide flexibility to deliver services in ways that best meet the needs of the local community.

Skills, productivity and prosperity

83. An important factor underlying widening income inequality and low income in the 1980s and 1990s was the declining returns from work for people with low skills. Today, millions of adults in England cannot read or write as well as the average 11-year-old, and even more have problems with numbers. People with poor literacy, language or numeracy skills are likely to be less productive at work, earn less and are more likely to suffer from poverty and social exclusion²⁴.
84. Currently, many individuals do not see how better skills, training and qualifications can help them achieve their personal goals, whether for financial rewards through better jobs and higher wages, for supporting their families and communities, or for their own personal fulfilment²⁵.
85. We are therefore helping people in low-paid jobs to gain the skills that will equip them to be more productive and to command higher-paid jobs. We are seeking to do this by incorporating human capital investment into labour market programmes – such as basic skills screening, and training options in the New Deals. And we are providing incentives for skill acquisition by people in low-paid jobs.

Enhancing basic skills

86. *Skills for Life*, our strategy for improving adult literacy and numeracy, aims to help adults gain the basic skills they need to find and keep work and participate fully in society, thereby increasing social cohesion and the economic performance of the UK²⁶. The strategy was launched in March 2001 and aims to improve the literacy, language or numeracy skills of 1.5 million adults by 2007.

Meeting the target

87. Projections indicate we are on track to meet our milestone of 470,000 adults with better basic skills by July 2003. Between April 2001 and July 2002, 319,000 adults improved their literacy and numeracy skills. In the same period, the Learning and Skills Council funded over 1 million learners on 1.7 million learning opportunities.

Boosting demand

88. Literacy and numeracy provision is free to the learner no matter where or how it is delivered. The Get On campaign continues to encourage adults to overcome their fears and to 'get rid of their gremlins'. Over 240,000 adults have phoned the free learndirect helpline for information about literacy, language and numeracy learning programmes.
89. In March 2003 we launched a campaign to persuade employers to take the issue of poor literacy, language and numeracy skills seriously, and offer all of their staff who need it free training.

90. Skills for Life also addresses the needs of jobseekers and other benefit claimants. Jobcentre Plus assesses customers' basic skills needs if they have been unemployed for six months. Those whose needs are confirmed by an assessment can access job-focused basic skills training that will lead them to a qualification mapped to the new standards. In this way, we can help unemployed people gain the literacy, language and numeracy skills they need to find and retain appropriate work.

Raising standards and learner achievement

91. Following evaluation in pathfinder areas we have successfully introduced national standards, core curricula for literacy, numeracy and English for Speakers of Other Languages, a national Pre-Entry Curriculum Framework and National Tests in literacy and numeracy.
92. We are also seeking to improve the professionalism of the workforce. Around 25,000 teaching staff have been trained to use the new learning infrastructure. And, for the first time, all new teachers who wish to teach adult literacy or numeracy in the post-16 sector are now required to gain qualifications that meet the subject specialisations.
93. Family learning is a key part of Skills for Life. Programmes on offer include family literacy and language courses, numeracy and literacy workshops, and courses aimed at enhancing learning from birth (and developing the language skills of adults at the same time). A new project, Skills for Families, will improve the planning and delivery of family literacy, language and numeracy in a series of local pilot projects.

Skills Strategy

94. On wider skills issues we launched, in July 2003, our strategy for skills, *21st Century Skills: Realising Our Potential*²⁷. The strategy aims to help individuals acquire and develop their skills to support sustained employability and more rewarding lives, and to make a greater contribution to their communities.
95. Closely associated with the skills strategy is a new PSA target to reduce by at least 40 per cent the number of adults in the workforce who lack NVQ Level 2 or equivalent qualifications by 2010 – and working towards this, 1 million adults in the workforce to achieve Level 2 between 2003 and 2006.
96. One of our **indicators of progress** shows a downward trend in the proportion of working-age people without a qualification at NVQ Level 2 or higher (39 per cent in 1998, decreasing to 34 per cent in 2003).
97. In order to meet the PSA target we must remove the barriers faced by adults in gaining the foundation skills for employability represented by a full Level 2 qualification. We will do this by creating a new entitlement, enabling any adult in the labour force without a full Level 2 qualification to have access to free learning for their first full Level 2 qualification.

98. Implementation of the skills strategy and delivery of the target will entail close working across government and with employers, individuals, delivery partners and learning providers in order to:

- put the needs of employers centre stage – giving them more support in accessing the training they need and more influence in deciding how that training is provided;
- help employers use skills to achieve more ambitious longer-term business success – giving employers more opportunity to secure the higher-level skills needed to achieve these ambitions;
- motivate and support learners – through offering a new entitlement to learning that will, over time, help everybody who wants them to gain at least the foundation skills for employability;
- enable colleges and training providers to be more responsive to the needs of employers and learners by reviewing the framework for planning, funding and monitoring provision; and
- encourage joint government activity in a new Skills Alliance – linking up the work of the key government departments involved with economic and skills issues.

99. In preparing the skills strategy we have consulted widely to identify the major obstacles and build on the many creative ideas for improvement. We have

welcomed the commitment of many partners who have helped to shape the strategy. We will carry forward that partnership in turning the skills strategy into action.

Work Based Learning for Adults

100. Support in improving skills is offered through Jobcentre Plus, New Deal programmes and Work Based Learning for Adults. The last-mentioned is a programme that offers a range of support, from help with basic skills to work-based occupational training and support for taking up self-employment.

Offender employment, training and education

101. The National Probation Service is committed to increasing the educational and vocational qualifications of offenders as a means of helping them to gain access to employment. A basic skills strategy for work with offenders across the National Probation Service was implemented over the course of 2002/03.

102. Work is now under way to respond to the need to join up community provision so that offenders can access specialist mainstream basic skills provision. From April 2004, responsibility for probation-based basic skills learning will be transferred to the Offenders' Learning and Skills Unit. This is a step towards closer integration of existing services to provide a strong platform for delivering consistent and effective programmes to offenders under supervision in the community.

Providing financial security and inclusion

103. Work is the best route to financial security and inclusion. Moving into work reduces the risk of living in a low-income household. This is important, not just in the purely financial sense, but also because of the many undesirable outcomes that are associated with low income – for adults and children.
104. We therefore start by describing our efforts to make work pay, and this is where Jobcentre Plus personal advisers play such an important role – explaining the benefits of working and the financial support available. We also look at the impact that debt can have on work incentives, as well as the obvious impact on disposable income.
105. We then go on to describe the support available to tackle low income among those who are not supporting themselves predominantly through the labour market. This will include some of today's pensioners whose labour market history has left them with low incomes in retirement.
106. For children, growing up in low income is associated with a number of undesirable outcomes in other dimensions – including education and health. So our policies to target resources directly at children are central to our strategy to break cycles of deprivation. We analyse these in the next section (paragraphs 207–225).

Making work pay

107. Active help will work more effectively in raising employment rates when people can see that they will be better off in work. There are a number of elements to this. We must reduce the immediate risk of an interruption in income or higher costs when people first take jobs. We must ensure that jobs pay, so that people are always better off in work than on benefit. Through the provision of clear and accurate information, we need to show to those people considering a job opportunity how they will be better off. And we must ensure that, as people work longer or acquire new skills, they retain a significant proportion of rising in-work incomes. We are taking action on all of these fronts.

Reducing the financial risks of taking a job

108. People will almost always be better off in a job than in receipt of benefit. But moving from benefit to a job carries transitional risks and these can act as disproportionate deterrents to taking a job.
109. A major concern for those people considering a return to work is that it may lead to instability of income and the resultant impact on benefit payments and credit arrangements – and possibly the risk of greater indebtedness. (This is discussed in more detail in paragraphs 143–162.)

110. The introduction of Child Tax Credit in April 2003 provides a secure stream of income for families with children, which does not depend on the employment status of the parents. And in his Pre-Budget Report in November 2002, the Chancellor of the Exchequer announced the introduction of a new and improved financial incentives package to help people make the transition from benefits to work of 16 hours or more a week²⁸.

111. The underlying principle is that the package is uniform, cohesive and easy to understand. It has common qualifying conditions for all clients aged 25 or over, and for lone parents and people with a long-term illness or disability of any age. The package is aimed at helping people who have been in receipt of relevant benefits for six months or more and consists of a number of elements.

Job Grant

112. A new Job Grant, to be introduced from October 2004, will rationalise previous support and is designed to tide people over the period of financial uncertainty between receiving a final payment of benefit and the first payment of wages.
113. The new Job Grant will consist of two rates:
- £100 for single people and couples without children (people with a long-term illness or disability of any age and others aged 25 or over); and

- £250 for lone parents or couples with children (in receipt of relevant benefits) – this is a more generous replacement of the Lone Parent Run-on.

Back to Work Bonus

114. Research has shown that the Back to Work Bonus scheme has not worked as an effective incentive to work, nor as an incentive to increase the hours worked^{29, 30}. It is clear that people want to see immediate rewards from working part time rather than at a later date. The bonus is very complicated and does not give assurance of financial security at the start of a job. Whilst well-intended, in practice it has not had the desired effect.
115. So, from October 2004, the Back to Work Bonus scheme will close. Existing customers will be protected for a further three months to allow them to claim any bonus they may already have accrued. The new Job Grant will be easy to understand and will be paid at the point at which work starts.

Adviser Discretion Fund

116. Since April 2003, personal advisers have been able to use the Adviser Discretion Fund to make a discretionary payment to help anyone who has been unemployed for six months or more with their job search, or to purchase essential items without which they would be unable to take up a job. This is a valuable tool to help advisers break down potential barriers that would otherwise hinder progression into employment and out of poverty.

Managers Discretionary Fund

117. As part of our strategy of providing more flexible employment policies, as announced in Budget 2003, we intend to build on the support provided by the Adviser Discretion Fund by introducing a new discretionary fund for Jobcentre Plus district managers. From April 2004 this new fund will enable managers to direct resources in new and more innovative ways to overcome local barriers to work.

Housing Benefit

118. The introduction of an improved earnings disregard in Housing Benefit from April 2004 will increase the gains to work for many people working part time – particularly disabled people and those with children. The current disregard of £11.90 a week available to people working 30 hours or more a week will then be available to those people who are claiming, or entitled to claim, Working Tax Credit while working for 16 hours or more a week.
119. Also from April 2004, the extended payment provisions will be widened to enable customers in receipt of Incapacity Benefit or Severe Disablement Allowance (in addition to those in receipt of Income Support or income-based Jobseeker's Allowance) to retain entitlement to Housing Benefit and Council Tax Benefit for four weeks after finding and taking up work, or increasing their hours or wages of current employment.

Housing Benefit administration

120. The uneven administration of Housing Benefit has sometimes acted as a deterrent to taking a job. To deal with this risk, a package of reforms was announced in October 2002. We aim to help local authorities bring the speed and accuracy of their administration of Housing Benefit up to the standard of the best by setting clear standards and by providing £200 million of support over three years for investment and training.
121. We are also simplifying the Housing Benefit rules. We shall be piloting, in nine pathfinder local authorities, a new Local Housing Allowance from November 2003. Private sector tenants will be paid according to average local rents rather than rents charged. The pathfinder areas are: Blackpool, Brighton and Hove, Conwy, Coventry, Edinburgh, Leeds, Lewisham, North East Lincolnshire and Teignbridge.
122. Local authority administration will be greatly streamlined and people will know in advance what Housing Benefit they will receive. The Local Housing Allowance will promote choice and personal responsibility, and bridge the gap between benefit and work by allowing tenants to budget for their own rent.

123. From April 2004, movement into a job will no longer require a fresh application, but will be treated as a change of circumstance. A rapid re-claim process when a job falls through is being introduced so that people can re-establish a recent claim to Housing Benefit with the minimum of fuss.
124. Information provided by local authorities for 2002/03 shows that performance in Housing Benefit administration in Great Britain has improved, with the processing of new claims dropping from an average of eight and a half weeks between April and June 2002 to seven and a half weeks between January and March 2003.
125. This evidence of improvement is supported by the Local Government Ombudsman's Annual Report for 2002/03, which showed that there had been a significant drop, for the second year running, in the number of complaints received relating to Housing Benefit³¹. Complaints have dropped by nearly 50 per cent over two years.

Better off in work

126. Someone in work, with the opportunity to acquire new skills and to progress, is more likely to share in rising national prosperity. But the incentive effect is most powerful where the returns from work are real and immediate.
127. Since 1997 we have introduced a range of policies to make work pay, especially for those on low earnings.
- The 10p starting rate of income tax has halved the marginal tax rate for around three million low earners since its introduction in 1999.
 - The reforms to the National Insurance contributions have removed the unfair 'entry fee' and have raised the point at which employees start paying contributions, leaving their entitlement to contributory benefits protected.
 - Since its introduction in April 1999, the National Minimum Wage has benefited more than one million people.
 - The Working Families' Tax Credit and the Disabled Person's Tax Credit were introduced in October 1999. These were replaced by the new tax credits in April 2003. Working Tax Credit extends support to childless and non-disabled workers aged 25 or over working 30 hours a week or more, improving their work incentives.

National Minimum Wage

128. The National Minimum Wage for adults has increased by 25 per cent since April 1999. We have accepted recommendations by the independent Low Pay Commission for a further increase in the minimum wage rates of 7–8 per cent in October 2003 and October 2004 – about double the rate of average earnings.

129. The rate for adults will rise further in October 2003 from £4.20 to £4.50 an hour. The rate for 18–21-year-olds will rise from £3.60 to £3.80 an hour. Some 1.3 to 1.6 million low-paid workers stand to benefit from the 2003 increase.
130. Over two-thirds of the beneficiaries have been women, because they are over-represented in the kind of lower-paid jobs that are directly affected by the National Minimum Wage.

Working Tax Credit

131. The Working Tax Credit was introduced in April 2003 alongside the new Child Tax Credit (for more details on the Child Tax Credit, see paragraphs 212–218). It builds on the success of Working Families' Tax Credit and Disabled Person's Tax Credit in making work pay. It is designed to help tackle poor work incentives and persistent poverty among those on low incomes, while also, for the first time, extending support to full-time workers aged 25 or over without children or a disability.
132. For those starting work, the gain to work for a single earner couple, aged 25 or over without children, with typical wages for a new job has been increased to nearly £50 a week – compared with under £20 a week before the introduction of the new tax credits. In July 2003, around 120,000 awards of Working Tax Credit were in payment to those without children.
133. And for those with children, the childcare element of Working Tax Credit helps to support families in work by meeting the bulk of the costs of eligible childcare. Around 260,000 families received help with childcare costs through the childcare tax credit element of the Working Tax Credit in July 2003³². In total, 5.5 million families were benefiting from the new tax credits in July 2003.
134. For people aged 50 or over who have been in receipt of one of a range of out-of-work benefits for six months or more, there is an additional 50 plus element in Working Tax Credit. This is designed to give an added incentive for people in this age group to return to work after a period out of the labour market.
135. Work incentives have also been significantly improved for second earners who seek to work part time. A dual earner couple, working full time with a joint income of £30,000, with two children and maximum childcare costs, receive £27 a week more under the new tax credits than they did under the previous system.
136. Together with the National Minimum Wage, the Working Tax Credit helps tackle in-work poverty by providing a guaranteed minimum income. From October 2003, the combination of new tax credits and the National Minimum Wage will provide a minimum income guarantee of £241 a week for a family

with one child and one adult working full time, and £158 a week for a full-time single worker with no children, compared with £182 and £113 respectively in April 1999, when the National Minimum Wage was introduced.

Illustrative examples – Working Tax Credit

Diane lives on her own and works in a shop for 35 hours a week, receiving the National Minimum Wage. From October 2003, Diane will be guaranteed an income of £158 a week after tax – her net earnings of £140 a week are topped up by £18 a week in Working Tax Credit, which is paid through her weekly pay packet.

James and Sarah Thompson have a two-year-old son, Mark. James works full time as a machine operator, earning the National Minimum Wage. Sarah stays at home to look after Mark. From October 2003 the Thompson family will be guaranteed a minimum income of £241 a week. About £140 of this comes from the National Minimum Wage. On top of this, as Sarah is the main carer, she will receive Child Tax Credit of over £38 a week, plus £16.05 a week in Child Benefit. And because James is working full time he will also get more than £47 a week in Working Tax Credit.

Progression in work

137. It is important that, once someone has moved into a job, they have the choice of increasing their income by working longer or improving their skills, and that they and their family are able to benefit from that choice. We have therefore taken a number of steps to ensure that people keep a higher proportion of rising in-work income and do not face too steep losses of income – so-called high marginal deduction rates – as support through tax credits falls away and income tax cuts in.
138. Whilst improved gains to work are tackling the unemployment trap, we want to ensure that workers have incentives to move up the earnings ladder. Tackling the poverty trap improves labour market flexibility by providing stronger incentives for people to respond to the opportunities generated by change – for example, by adjusting their working patterns, or moving into better-paid jobs
139. Marginal deduction rates measure the extent of the poverty trap by showing how much of each additional pound of gross earnings is lost through higher taxes and withdrawn benefit or tax credits. As a result of our reforms, over half a million fewer low-income households now face marginal deduction rates in excess of 70 per cent than did so in April 1997 (Table 1.2). The increase in the number of households facing marginal deduction rates of between 60 and 70 per cent is primarily due to the introduction of tax credits, and more recently the extension of support to workers aged 25 or over without children.

Table 1.2: A comparison of marginal deduction rates before Budget 1998 with those in 2003/04

Marginal deduction rate	Before Budget 1998	2003/04 system of tax and benefits
Over 100%	5,000	0
Over 90%	130,000	30,000
Over 80%	300,000	135,000
Over 70%	740,000	185,000
Over 60%	760,000	1,490,000

Source: Her Majesty's Treasury, 2003, *Budget 2003, Building a Britain of economic strength and social justice*.

Notes: 1. Marginal deduction rates are for working households in receipt of income-related benefits or tax credits where at least one person works 16 hours or more a week.

2. Figures are cumulative. Before Budget 1998 based on 1997/98 estimated caseload and take-up rates.

3. The 2003/04 system of tax and benefits is based on 2001/02 caseload and take-up rates, and projected caseload estimates of Working Tax Credit and Child Tax Credit in 2003/04 are based on 1999/2000 caseload and take-up rates.

Employment Retention and Advancement Project

140. We are also currently testing the degree to which certain interventions might help individuals to retain employment without a return to benefit, and to advance on to higher-skilled, better-paying positions through our Employment Retention and Advancement Project.

141. The project offers retention and advancement interventions to certain groups of jobless individuals (lone parents eligible for New Deal for Lone Parents and individuals eligible for New Deal 25 plus), as well as those currently in work (lone parents receiving Working Tax Credit).

The interventions to be tested are:

- one-to-one pre- and post-employment support from an advancement support adviser working with the participant for up to 33 months; and
- financial incentives for retaining employment or undertaking work-focused training for 13 out of 17 weeks.

142. Early evaluation evidence showing client participation patterns and demographic information will be available in October 2005. And in December 2006, early findings from client surveys will tell us how the programme is impacting on, for example, retention of work and increased wages.

Addressing debt problems

143. Qualitative research has found that people rely on a complex mixture of different types of income to manage while not in employment³³. Accruing debt and taking out loans was described as one way of meeting financial pressures that people otherwise felt they could not have managed. The research found that a range of other issues underpinned the different levels of anxiety about returning to work. Principal among these was the concern that a transition into work would lead to instability of income. This concern was frequently strengthened by concerns about the resultant impact on benefit payments and credit arrangements – and possibly the risk of greater indebtedness.
144. Such worries are likely to be even more concerning for those with children. Research shows that 35 per cent of low- to moderate-income families with children had at least one debt in 2001, and this has decreased from 42 per cent in 2000³⁴. (Debt here is defined as an inability either to pay in full or to keep up repayments on rent, mortgage, utilities, loans or credit cards.)
145. There has also been a corresponding decrease in the proportion of families with three or more of these debts, from 13 per cent in 2000 to 11 per cent in 2001. Since 2000, therefore, there has been a reduction in the proportion of low- to moderate-income families in debt. However, it is the lowest income groups that are most likely to experience debt problems. This is partly because they often lack access to financial services such as banking, insurance and affordable credit, which are central to the way most people manage their money.
146. The same research on these families shows that the type of credit use is changing. There has been an increase in the use of credit cards (from 33 per cent in 2000 to 42 per cent in 2001), coupled with a modest increase in the use of store cards³⁵. These data also indicate a rise in the use of bank or building society loans and overdraft facilities whilst borrowing from financial companies or friends and relatives has fallen, as has the use of catalogues and mail order schemes.
147. Debt in itself is not a problem for those at risk of poverty and social exclusion. Debt – and the provision of credit – is a commonplace feature of modern society. Borrowing allows individuals to smooth income fluctuations over time, trading current consumption against future income. Those with low or erratic incomes may face higher interest rates, but – up to a point – this simply reflects that they attract a higher risk.
148. However, we estimate that four per cent of low- to moderate-income families with children are using normally expensive forms of credit such as weekly-collection credit companies, and of these nearly a third are behind with their payments³⁶. It is therefore likely that this group have the most severe debt problems, with multiple types of debt. This is particularly troubling if:
- consumers do not understand debt commitments;
 - interest agreements go way beyond the recouping of legitimate extra costs;

- debt burdens act as a disincentive to re-enter work; and
- certain people are excluded from the basic functions of banking and finance that most of us take for granted.

149. Our strategy for tackling debt and financial exclusion involves joining up a wide range of policies and services. The involvement of the voluntary and community sector and businesses is also vital for the success of this programme. And we are increasingly learning that good quality advice on credit and debt will go a long way towards allowing vulnerable consumers to make more informed choices in the market.

Advice services: financial literacy and debt counselling

150. Only 20 per cent of households unable to meet their financial commitments in the past 12 months sought advice³⁷. To help promote financial literacy, we are pursuing measures aimed at children and adults, and piloting new approaches for debt counselling – for example, the National Debtline.

151. We know that, whilst usage of more basic financial products increases as people move into work, not all households have access to, or knowledge of, the financial services they might benefit from most³⁸. In recognition of the importance of providing debt advice to those most at risk, Jobcentre Plus managers will be supported, from

April 2004, by a new flexible fund for debt advisory services. This will improve access to these services in areas where provision is limited, and enable lone parents and other benefit customers to get help with debt matters before they take up work.

152. We have also developed a programme on financial literacy with the Basic Skills Agency. Working with a range of partners across government, the education sector and voluntary and community groups, we are using personal finance and money management as a means of improving adult literacy and numeracy. Recent activity includes:

- the launch of a financial literacy website³⁹;
- projects to deliver financial literacy in a range of community settings;
- research into financial exclusion and basic skills; and
- awareness-raising among financial institutions.

Legal issues

153. We are committed to strengthening protection for borrowers and we have therefore launched proposals to make it easier for borrowers to seek legal relief⁴⁰.

154. Our Task Force on Overindebtedness comprises representatives from the banking and credit industry, government, and consumer groups. The aim is to

focus on ways of achieving more responsible lending and borrowing. We have also taken forward a review of overindebtedness.

155. We also appreciate that access to high quality legal services and advice can avoid further problems for those for whom debt is becoming difficult to handle. We are therefore taking steps through legal services to help those with money problems by:

- reviewing the enforcement of debt through the civil courts, distinguishing between those who avoid payment and those who are in financial difficulties and cannot pay; and
- developing coherent procedures that protect vulnerable debtors and, with the Insolvency Service, helping multiple debtors so that there is appropriate debt relief or enforcement respite for those who cannot pay, and suitable repayment options for those who can.

The Social Fund

156. For those in the greatest need, the Social Fund is available as an interest-free source of credit for emergency needs. It provides budgeting loans to people receiving Income Support to help them manage lump sum expenditure. Crisis loans are available where there would otherwise be a risk to health or safety. These could be for large lump sum expenditure, or small amounts to bridge a gap in income for vulnerable people.

157. The loans budget for 2002/03 was set at £518 million, whilst that for 2003/04 is £558 million. In 2002/03, some 1.25 million budgeting loan awards (average amount £366) were made, and 1.06 million crisis loans (average amount £75). We will continue to consider the scope for improvements to this scheme.

Universal banking

158. We are modernising the way in which benefits are paid, by moving towards Direct Payment. This will ensure a safe, convenient, more modern and efficient way of paying benefits that is also much more secure. Direct Payment will also open the door to a wider range of banking and financial services, such as direct debit facilities. People have three account options when deciding how they want to be paid:

- a current or savings account at any bank or building society;
- a bank or building society basic bank account – for those who are new to banking, and just want to pay money in, get cash out and perhaps pay bills automatically; or
- a Post Office® card account – just for the receipt of benefits, state pensions, war pensions and tax credits.

159. There are two elements of universal banking services: access to basic bank accounts at Post Office® branches and the Post Office® card account. These facilities will help the estimated 3.5 million adults in the UK currently without bank accounts.

Non-governmental innovations

160. We have also been pleased to see that the non-governmental sector is developing products to widen access to the banking and financial services that most of us take for granted.
161. Credit Unions, for example, are open to low-income groups, encourage small-scale savings, provide low-cost credit, and can be a bridge to other financial services. Their education objectives enable them to help members to be effective and responsible users of financial services, and the movement has begun to offer a wider range of services including bill payment, debt reconciliation and home insurance services.
162. Access to Credit Unions can be limited by their coverage, and by the consequent low level of awareness among their target groups⁴¹. But things are changing: in 2002 there were approximately 700 registered Credit Unions in Great Britain with over 430,000 members and around £330 million in assets. In Great Britain, from 1996 to 2001, the number of Credit Unions grew by around 25 per cent and the value of loans outstanding increased by around 150 per cent⁴².

Support for those who cannot work

163. The benefits system has long been passive, especially in relation to overlooking people with a disability or long-term illness and paying insufficient

attention to their needs for work and social inclusion. Between 1979 and 1995 the number of people in receipt of sickness and disability benefits trebled, so that spending on such benefits accounted for around a quarter of all social security spending. Whilst the numbers moving on to Incapacity Benefit have fallen by nearly a quarter between 1997 and 2002, total numbers in receipt continue to rise, because the numbers leaving it remain low.

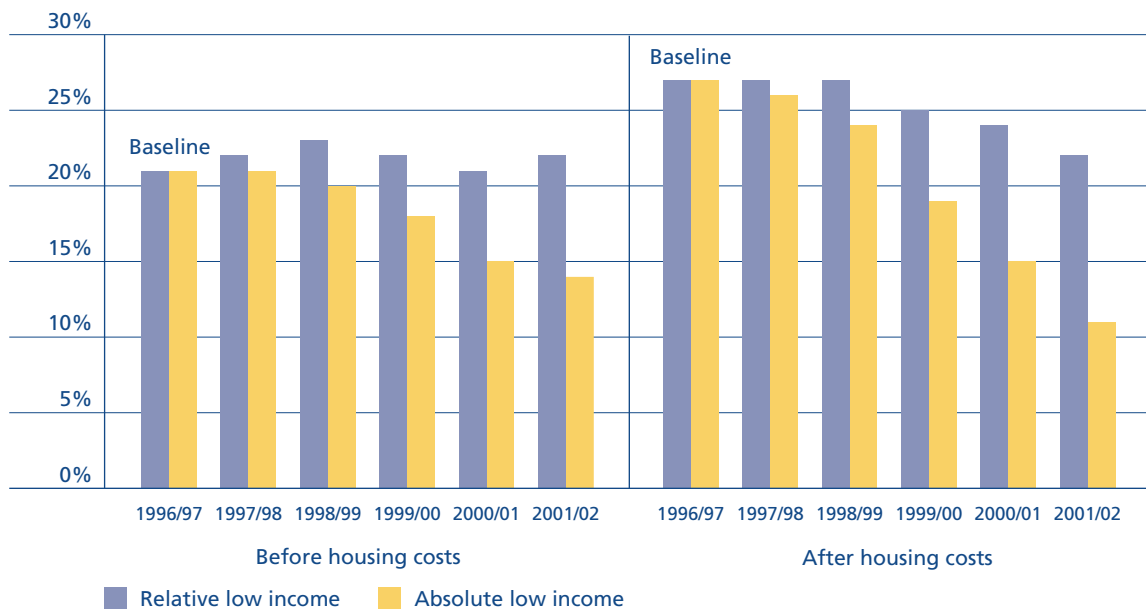
164. It is a mistake to think that all people with a disability or long-term illness are unable to work. Indeed, over 3.3 million people with a disability are in employment. What is more, over a million people who have a long-term disability and are not in work say they would like to work⁴³.
165. Our programmes to make work possible and to make work pay include policies aimed at offering new incentives for people with a disability or long-term illness to try work. Nonetheless, we recognise that there will be some adults of working age who need additional support because they cannot support themselves entirely through work. Our policies aim to ensure that those who cannot earn a living for themselves are supported through a modern welfare state. This also includes recognition of the vital role that carers play in maintaining our social fabric.
166. Later in this report we set out more details of our strategy (Chapter two, paragraphs 84–91 and 149).

Support for pensioners

- 167. Those who have reached the end of their working lives should rightly be able to look forward to a secure and fulfilling life in retirement. Our policies are transforming support for both today's 11 million pensioners and also for future pensioners, to promote a rewarding future for us all.
- 168. We therefore want all pensioners to have a secure income in retirement and to share fairly in the rising prosperity of the

country. One of our **indicators of progress** and Chart 1.3 show little change in the numbers of pensioners living in relative low income households before housing costs, and a clear downward trend on the after housing costs measure, from 27 per cent in 1996/97 to 22 per cent in 2001/02. This improvement after housing costs reflects the increasing number of pensioners who own their homes outright, and the reduced risk of low income after housing costs for those living in social housing.

Chart 1.3: Percentage of pensioners living in low-income households (Great Britain)



Source: Households Below Average Income.

- Notes: 1. Low-income threshold – 60 per cent of median.
- 2. Relative low income – low-income threshold moving each year.
- 3. Absolute low income – low-income threshold fixed at 1996/97 level in real terms.

169. Overall, we will be spending around £8 billion extra on pensioners in 2003/04 as a result of the measures introduced since 1997, rising to £9.2 billion in the following year as a result of the introduction of Pension Credit. This includes around £3.75 billion on the poorest third of pensioners – the very people who need help most. This is almost six times as much as an earnings link to the basic state Retirement Pension since 1998 would have given them. Following the introduction of Pension Credit, on average, pensioner households will be around £1,250 a year better off in real terms than they would have been under the 1997 system.
170. In June 2003 we published proposals for further reform in *Simplicity, security and choice: Working and saving for retirement: Action on occupational pensions*, to address the issues faced by an ageing population⁴⁴. We need long-term solutions so that individuals are able to plan for their retirement, making informed choices about how and when to save, and how long to work.

Pension Credit

171. From October 2003 we will introduce Pension Credit. This will contribute towards a guaranteed minimum income and will reward pensioners who have saved. By 2006 Pension Credit should be in payment to at least three million pensioner households.
172. Pension Credit will target further support towards pensioners on low or modest incomes. It will provide a contribution towards a guaranteed minimum income for those aged 60 or over, set at £102.10 a week for single pensioners and £155.80 a week for couples and rising with earnings over this Parliament.
173. Pensioners aged 65 or over will also receive a cash reward for their second pension or any savings income between the level of the savings credit threshold, which will be £77.45 a week for single pensioners and £123.80 a week for couples in 2003, and the amount of their guarantee credit. Pensioners will no longer lose a pound of their benefit for every pound of pensions or other savings they have built up.
174. Around half of all pensioner households will be eligible for the Pension Credit and stand to gain around £400 on average, with some gaining up to £1,000 a year.
175. Over half (54 per cent) of those entitled to Pension Credit are single women. When partners are included, almost two-thirds of people who will benefit from Pension Credit are women. Approximately 60 per cent of all women aged 80 or over will be entitled to Pension Credit.
176. In addition, the introduction of Pension Credit will help to ensure that claiming is simplified and less intrusive.
- Pensioners can apply by calling the freephone Pension Credit Application Line and trained staff will complete the application form for them. The form then needs only to be checked, signed and returned to The Pension Service.

- From age 65, most awards will be set for five years and pensioners will have to report only significant changes in their circumstances.

177. By far the biggest challenge in introducing Pension Credit will be ensuring that new customers take up their entitlement. We have set a PSA target to pay at least three million pensioner households by 2006.

178. For people already on Minimum Income Guarantee this will be automatic. By October 2003, a total of 1.8 million households currently receiving the Minimum Income Guarantee will have been transferred to Pension Credit. For others, a combination of direct mailings and television and press advertising will be used to target eligible recipients.

Illustrative example – Pension Credit for a single pensioner

Amy is 62. She lives in her son’s home. The only money she has is her state Retirement Pension of £77.45 a week.

Pension Credit will give her £24.65 a week extra. As a result, her total weekly income will increase to £102.10.

Illustrative example – Pension Credit for a married couple

Balbir and Manju are both 75 and have savings of £8,000. Their weekly income is:

State Retirement Pension (Balbir)	£77.45
State Retirement Pension (Manju)	£58.55
Personal pension (Balbir)	£12.00
Assumed income from savings (we assume £1 of income for every £500 or part of £500 for any savings over £6,000)	£4.00
Total weekly income	£152.00

Their income is £28.20 above the savings credit threshold for a couple of £123.80.

A savings credit entitlement of £16.92 is calculated at 60 per cent of £28.20.

Pension Credit will give them £16.92 a week extra.

As a result, their total weekly income will increase to £168.92.

Fuel poverty

179. We have set out our priorities in *The UK Fuel Poverty Strategy*⁴⁵. The aim is to eradicate fuel poverty, where practicable to do so, by 2010 for vulnerable and 2016 for non-vulnerable households in England. A PSA target has been set to assist 600,000 households through the Warm Front scheme in England between 2001 and 2004.
180. Warm Front is our main programme for tackling fuel poverty in the private sector in England. The scheme aims to lift households out of fuel poverty by providing insulation and heating improvements to those in receipt of certain qualifying benefits.
181. Furthermore, we continue to pay Winter Fuel Payments to older people. The Winter Fuel Payment is £200 a year for qualifying households and will continue to be paid at this rate throughout this Parliament. In total some 11.2 million older people benefited from the Winter Fuel Payment during winter 2002/03.

80+ Annual Payment

182. People aged 80 or over who are entitled to a Winter Fuel Payment will, from winter 2003/04, also receive an extra £100 payment for each household. This is the 80+ Annual Payment, which will be paid as part of the Winter Fuel Payment to those who are aged 80 or over in the qualifying week. It is estimated that around two million older people will be entitled to this payment.

Action on occupational pensions

183. The Green Paper *Simplicity, security and choice: Working and saving for retirement*⁴⁶ set out proposals to:
- help people make better-informed choices about their retirement;
 - reaffirm the role and responsibilities of employers in the pensions partnership, improving saving through the workplace and providing greater protection for members of occupational schemes;
 - encourage simple and flexible savings products, broadening access to the financial services industry; and
 - introduce measures to give older workers more options to extend their working lives.
184. The consultation generated a great deal of interest – over 800 responses were received, not just from the pensions industry and expert commentators, but also from the wider public.
185. Our first response to the consultation, *Simplicity, security and choice: Working and saving for retirement: Action on occupational pensions*, sets out some of the steps we will be taking to reform occupational pensions to address the concerns raised⁴⁷. These steps include:
- introducing new measures to improve member security, including the Pensions Protection Fund, the first-ever protection scheme for defined benefits in the UK;

- modernising pension law;
 - reaffirming the commitment to help people stay in work until they choose to retire with the option of taking their pension later;
 - ensuring the Government, as an employer, acts in a manner that sets an example to all employers when helping their staff to plan for retirement; and
 - introducing a programme, including pension forecasts and an education programme involving employers, to inform individual choice.
186. We recognise the importance of protecting the pension rights people have accrued, but at the same time we know that, to meet future challenges, all partners need to be given greater flexibility to find solutions that best suit their needs, so that they can play their part in renewing the UK pensions partnership.
187. We believe that these proposals achieve that balance. We are also committed to independent monitoring, so we have established the Pensions Commission to assess progress and make recommendations on whether we need to move beyond the current volunturistic approach.
188. It is important that employees and employers work together to define the type of pension provision that suits them best. The package of reforms is designed to make it easier for pension schemes to

operate, while ensuring employees have much greater confidence that pensions promised to them will actually be delivered. We have set up an employer task force, including trade union representation. The task force will work to identify and promote employer-led solutions and share the many examples of best practice that already exist in both the provision and marketing of pensions.

Stakeholder pensions

189. Stakeholder pensions were introduced in April 2001 as part of our long-term reforms to ensure that everyone has the chance to save for a decent income in retirement. Stakeholder pensions are low-charge, flexible and portable. They provide a pension option for moderate and higher earners who do not have access to a company pension scheme. They are also available to non-earners for the first time, helping carers and disabled people to build up their own pensions.
190. Figures from the Association of British Insurers show that around 1.5 million stakeholder pensions were sold in the period April 2001 to June 2003⁴⁸. Around 349,000 employers had designated stakeholder schemes for their workforces by 31 June 2003. Research on the earnings of people buying stakeholder pensions must be treated with caution because for the majority of stakeholder pension contracts, details of earnings are not known. Where they are known, the majority of people with stakeholder pensions earn between £10,000 and £29,999 a year – 40 per cent earn between £10,000 and £19,999 a year.

State Second Pension

191. The State Second Pension was introduced in April 2002. A good second pension, building on the foundation of the basic state Retirement Pension, is the key to having a comfortable retirement.
192. The State Earnings Related Pension Scheme (SERPS) did not provide enough support for people on low earnings and did nothing at all for people with broken work records – either because they were caring for children or other relatives or because they had a disability.
193. The State Second Pension is of a redistributive nature as it boosts the pensions of low- and moderately-paid employees and, for the first time, will provide additional pension for carers and some long-term disabled people. It will be of particular benefit to women, many of whom work part time or as carers.
194. It is estimated that 20 million people will benefit through the State Second Pension:
- 5 million low earners (earning between £4,004 and £11,200 in 2003/04 terms);
 - 10 million moderate earners (earning up to £25,600 in 2003/04 terms);
 - 2.5 million carers (those who look after children under the age of 6 or disabled people); and
 - 2.5 million disabled people with broken work records.

Pension forecasts

195. Pension forecasts provide people with information, in today's prices, of their likely state pension entitlement. Approximately 750,000 individual and 415,000 combined pension forecasts had been provided up to the end of August 2003. Over 550 pension providers had expressed an interest in joining the combined pension forecasting scheme up to this date.

Delivering a modern service – The Pension Service

196. The Pension Service will make best use of technology to transform business processes and to make services more accessible, responsive, transparent and efficient. This will improve the quality of customer service. Benefit delivery will also be modernised, including providing more efficient and effective methods of paying benefits and pensions through Direct Payment.

Improving and simplifying access to services

197. The Pension Service will deliver services to today's and future pensioners through regionally-based pension centres in conjunction with local services. We will improve and extend our capability to take applications by telephone, supported by a local service in locations that suit our customers and provide face-to-face help to the most vulnerable pensioners and their representatives when it is needed.

198. Working with partner organisations, such as local authorities and voluntary groups within local communities, will enable The Pension Service to provide a joined-up service for customers. This will include:
- an appointments-based surgery service;
 - drop-in surgeries for customers who require assistance or who have special needs;
 - a home visiting service; and
 - outreach activity and a network of information points in partner locations.
199. The Pension Service will also improve the quality of information about pension products and services, with access through a range of channels – electronically as well as through surgery advice sessions and leaflets. Work is ongoing with the financial services industry to develop proposals for a web-based retirement planning tool. And improved pension forecast information is being provided. We are continuing to work in partnership with employers and pension providers to issue combined pension statements to their employees and policyholders.

The Pension Service – example of local service surgery activity

A woman was seen at The Pension Service surgery in Age Concern's premises in Margate. She was receiving basic state Retirement Pension, a small private pension and had capital of approximately £4,000.

On speaking to her it became apparent that she had a disability, she could not cope with domestic chores and so was paying someone to do her housework. Her only proper meals were when she attended Age Concern.

Advice was given about Meals On Wheels. The customer liaison manager was able to help her make a claim for Minimum Income Guarantee (MIG) and provided her with a claim pack for Attendance Allowance.

The customer is now entitled to MIG of £145.05 a week, including a severe disability premium, and lower-rate Attendance Allowance of £38.30. Her total weekly income is now £183.35. She can afford to pay for Meals On Wheels and does not have to use her capital to pay for the help she needs in her home.

The Pension Service – example of a local service home visit

A customer liaison manager from the North West visited a customer to arrange an appointee to act on their behalf. The customer was in receipt of benefit amounting to £70 a week.

The customer liaison manager arranged a claim for Attendance Allowance, which has now been granted. In addition the customer's entitlement to Minimum Income Guarantee has been enhanced by an award of a severe disability premium. The total amount of benefit now payable is in the region of £170 a week.

Third Age Service

200. The Third Age Service will develop and build on the lessons learned from the Care Direct pilots. These pilots, currently being undertaken in the South West, are working to provide better integration and delivery of services for older people and those who care for them. Services that are currently covered by the pilot include health and social care, housing and benefits.
201. The Third Age Service will support existing service provision by allowing older people, or their representatives, the option of a single point of contact to benefits and services. It will provide people with the flexibility to choose how they interact with service providers.
202. From July 2003, legislative amendments allow local authorities that administer Housing Benefit or Council Tax Benefit to undertake verification on behalf of The Pension Service for older people claiming social security benefits.

Breaking cycles of deprivation

203. One of the starkest aspects of poverty and social exclusion is the way people's current situation feeds through into later life – or a parent's disadvantage feeds through into their children's lives, continuing the cycle across generations. Today's poverty can translate into tomorrow's poor outcomes. Our strategy for breaking these cycles begins by addressing income poverty through effective financial support for families with children. We are also putting in place direct preventative policies to break this intergenerational link, through effective nurturing in the crucial early years, a school system that promotes opportunities, and effective support in the transition from school to further and higher education and work. The provision of good quality play and cultural activities at an early age can also have great social and personal benefits for children.
204. Overall, life chances for today's children are still unequal. This damages not only those children born into disadvantage, but also our society as a whole. We all stand to share the benefits of an economy and society with less educational failure, higher skills, less crime and better health. We all share a duty to do everything we can to ensure every child has the chance to fulfil their potential.
205. Our aim is to reduce levels of educational failure, ill health, teenage pregnancy, abuse and neglect, crime and anti-social behaviour among children and young people. Many of these issues are being addressed by proposals set out in the Green Paper *Every child matters*⁴⁹, building on the progress already made, and focusing action on four main areas:
- supporting families – improving parenting and family support through universal services such as schools, health and social services, targeted and specialist support where needed, and, as a last resort, Parenting Orders;
 - early intervention – improving information sharing between agencies and establishing multi-disciplinary teams based in and around schools and children's centres;
 - accountability and integration – ensuring that, both locally and nationally, there is someone in overall charge of children's lives; and
 - workforce reform – making working with children an attractive, high status career and developing a more skilled and flexible workforce.
206. To support local integration, the newly-created role of Minister for Children, Young People and Families will be responsible for co-ordinating policies across central government.

Financial support for families with children

207. We know from research that low income during childhood is associated with an increased risk of adverse outcomes for children in later life.

- Children growing up poor are more likely to have low self-esteem, believe health is a matter of luck, play truant and plan to leave school at age 16⁵⁰.
- There is a strong association between children's subsequent earnings and those of their parents⁵¹.
- There is a strong relationship between parental income and early childhood educational attainment⁵².
- Performance in tests at 22 months and at 42 months is a strong predictor of outcomes later in life⁵³.

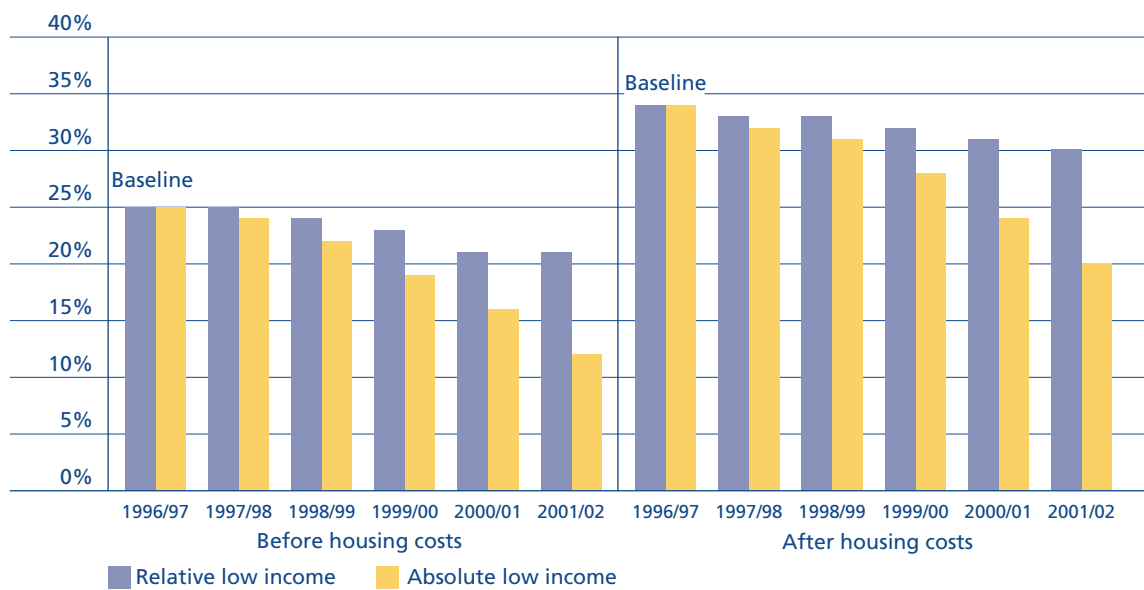
208. We have, therefore, designed a package of support that is targeted at children in both working and non-working families. For those out of work, we have increased the amount paid in the income-related benefits in respect of a child aged under 11. In 1997 the rate was £16.90 a week. Since April 2003 the rate has been increased to £38.50 a week, more than double the 1997 rate in real terms.

209. Since 1997 we have increased universal Child Benefit for the first child in every family by 25 per cent in real terms to £16.05 a week. This provides at least an extra £5 a week for every family with children.

210. By 2001/02 – the latest data available – steady progress had already been made towards our milestone target of reducing the number of children in low-income households by a quarter between 1998/99 and 2004/05 – achieving a reduction of around half a million children at a time when high income growth significantly raised the low-income threshold.

211. This means that incomes for the poorest households are growing more rapidly than for the average household. And the impact of our policies is even more apparent when the low-income threshold is fixed in real terms at 1996/97 levels. This progress on relative and absolute low income is reflected in one of our **indicators of progress** (Chart 1.4). This does not yet reflect all of our policies, including the boost to incomes from the introduction of Child Tax Credit and Working Tax Credit in April 2003.

Chart 1.4: Percentage of children living in low-income households (Great Britain)



Source: Households Below Average Income.

- Notes:
1. Low-income threshold – 60 per cent of median.
 2. Relative low income – low-income threshold moving each year.
 3. Absolute low income – low-income threshold fixed at 1996/97 levels in real terms.

Child Tax Credit

212. Alongside Child Benefit, the Child Tax Credit provides a single, seamless system of income-related support for families with children. Introduced in April 2003 it brings together the child elements of the Working Families’ Tax Credit, the Disabled Person’s Tax Credit, Income Support and Jobseeker’s Allowance and the Children’s Tax Credit.

213. The Child Tax Credit provides a secure stream of income for families with children, which does not depend on the

employment status of the parents and is paid to the main carer – usually the mother – as in Child Benefit.

214. Independent research supports the decision to pay financial support for children to the main carer, with 65 per cent of people saying that all support for children should be paid to the mother, and just 1 per cent preferring payment to the father⁵⁴. Up to £2 billion a year will be transferred from fathers to mothers from 2003/04 as a result of this change.

215. The Child Tax Credit includes a family element of £10.45 a week for all families with annual incomes of less than £50,000, gradually withdrawn for families with incomes above this amount. Families will receive double this element in the first year of a child's life. In addition, a child element of £27.75 a week will be payable for each child or young person for families with income of up to £13,000 a year, gradually withdrawn for families with higher incomes. From April 2004, the child element will be uprated at least in line with earnings for the rest of this Parliament.
216. Around nine out of ten families with children will be eligible for Child Tax Credit. In July 2003, around 4.2 million awards were already in place for both Child and Working Tax Credits. There were also around 1.3 million families on Income Support or income-based Jobseeker's Allowance who were receiving amounts equivalent to the Child Tax Credit. These families will be transferred automatically to Child Tax Credit in 2004/05. This means that around 5.5 million families were benefiting from the new tax credits in July 2003.
217. The Child Tax Credit will channel around £13 billion of support a year to families with children. The total support will be £2.4 billion a year higher than under the previous system. It is central to our strategy to tackle child poverty.
- Families with children are, on average, £1,200 a year better off as a result of our personal tax and benefit reforms since 1997, and those in the poorest fifth of the population are, on average, £2,500 a year better off in real terms.
 - Child Tax Credit, alongside Child Benefit, provides guaranteed levels of support of £2,825 a year for the first child for the 25 per cent of families with an income of less than £13,000 a year.
218. We recognise that certain groups need more help than others. The arrival of a child is costly. The Child Tax Credit therefore includes an addition to the family element during the first year of a child's life. This provides an extra £10.45 a week allowance, and together with the basic family element and the child element the Child Tax Credit is worth up to £2,536 for a family with one child in that first year.
219. Sure Start Maternity Grants ensure that families on low incomes receive additional help to cover the costs associated with a new baby. The amount received increased to £500 from June 2002 – five times as much as the Maternity Payments they replaced.
- ### Child Trust Fund
220. We are committed to strengthening the savings habit of future generations and ensuring that all children, regardless of their family background, start their adult lives with access to a stock of financial assets. Budget 2003 therefore announced the introduction of the Child Trust Fund, a universal investment and savings account for children born from September 2002.

221. The account will be opened with an initial endowment of £250 at birth, funded by the Government. Children from the poorest families will receive £500.
222. The Child Trust Fund will be introduced to benefit all children across the UK. There will be no access to the fund until the child reaches 18 years of age; after that, there will be no restriction on the use of assets. Accounts will be delivered through open market competition, and are expected to be available by 2005.

Child support reform

223. Every child has a right to a decent start in life, whether their parents live together or apart. Children are entitled to care and support and both parents are responsible for providing it. The system of child support introduced in 1991 failed children and parents. This is why we have reformed child support to ensure that children receive the maintenance they need.
224. The formula for assessing levels of maintenance in the old child support scheme was very complicated. In some cases, over 100 separate pieces of information could be required to make an assessment. This made it difficult for the Child Support Agency to calculate liabilities accurately and left the process open to abuse by uncooperative non-resident parents. Only 30 per cent of parents with care on Income Support received any maintenance. And nearly half of all applications that reached assessment took over 20 weeks, resulting in huge maintenance debts for non-resident parents.
225. The new child support scheme, introduced for new cases in March 2003, puts children at the centre of child support and will get money, more quickly, to more children. We aim to double the number of parents with care on Income Support who receive maintenance, to 60 per cent. This will mean that an extra £150 million a year will go to 600,000 children through the child maintenance premium. Overall, more than a million children will see the benefits of child maintenance for the first time as a result of our reforms.

The early years

226. There is reliable evidence that development in the early years is strongly associated with educational outcomes in later life. Performance in tests at age 22 months and 42 months is a strong predictor of later educational outcomes. For example, children in the bottom quartile at age 22 months are significantly less likely to get any qualification than those in the top quartile. And three times as many of those in the top quartile at 42 months as those in the bottom quartile go on to get A level qualifications or better⁵⁵.
227. This evidence, coupled with positive findings from other research, particularly the benefits of good quality pre-school experiences highlighted by *The Effective Provision of Pre-School Education (EPPE) Project*, is the context for the major investment we have made in children's early development⁵⁶.

Sure Start

228. Children need the best possible start in life so they can flourish when they go to school and in later years. We are committed to improving access to good quality childcare, early learning and family support to ensure all children get a sure start in life, and to help secure a better future for families and stronger and safer communities.
229. The Sure Start programme:
- promotes the physical, intellectual and social development of young children – particularly those who are disadvantaged – so that they can flourish at home, at school and during later life;
 - helps strengthen families and reduce child poverty by enabling parents to maximise their opportunities to work, learn and study, confident their children are being cared for in a safe and stimulating environment; and
 - contributes to building and sustaining strong local communities through high quality family services that are delivered innovatively.
230. Our programmes directly support our employment and poverty targets but yield a double dividend by enhancing both the development of children and the employment, training and study opportunities of their parents. (In paragraph 38 we explain how Sure Start, mainly through the provision of childcare, enhances employment opportunities for parents.)
231. We have funded an unprecedented growth in early education and childcare in the last few years, including:
- making free, part-time, early education available for all 4-year-olds in England, and an increasing number of 3-year-olds (currently 88 per cent);
 - substantially expanding childcare provision (by March 2003 over 700,000 new places had been created since 1997, benefiting well over 1.2 million children) with a wide variety of providers to meet the needs of parents and offer real choice;
 - encouraging the development of integrated services for young children and families; and
 - introducing a range of initiatives to ensure services are of good quality, and delivered by a skilled and committed workforce.
232. Most notably, Sure Start local programmes have been established in the most disadvantaged areas, to provide a range of early years and health services to local children and families. By autumn 2003, we plan to have 524 local programmes operational, reaching around 400,000 children aged under 4 – a third of all children living in low-income families. In addition, 249 new Neighbourhood Nurseries have been opened in the most disadvantaged areas.

233. Following Spending Review 2002, we are providing substantial new resources (rising to more than £1.5 billion in 2005/06 – including more than doubling childcare spending) to:
- build on our strong base of provision – our target is the creation of new places for over two million children by 2006; and
 - transform services to address particularly the needs of the most disadvantaged.
234. New children's centres will be established in the 20 per cent most disadvantaged areas, providing good quality childcare alongside early education, family and health services. At least 650,000 children will be reached by 2006, building on initiatives such as Sure Start local programmes, Neighbourhood Nurseries and Early Excellence Centres. The first 32 children's centres were launched in June 2003, with a further tranche to be established over the autumn.
235. We have a comprehensive programme of evaluation and research to identify success and areas where we have not done so well, and to help us improve our performance. Evaluations of our main initiatives – Sure Start local programmes, Neighbourhood Nurseries and Early Excellence Centres – are already in place, and will produce important results for the Sure Start project and individual initiatives. Customer surveys will also play a large part in informing our judgement and understanding of success.
236. The latest findings from *The Effective Provision of Pre-School Education (EPPE) Project*, published in March 2003, confirm that early education enhances children's intellectual and social development⁵⁷. Disadvantaged children in particular (for example, those who are from certain ethnic minority groups or who have English as an additional language) benefit significantly from good quality pre-school experiences.
237. Children without pre-school experience had lower intellectual attainment, were less sociable and less able to concentrate. The research concluded that quality of provision is critical to ensuring the experience has positive impact, including the delivery of the curriculum, staff – children interaction, and staff qualifications.
238. Our *Repeat Study of Parents' Demand for Childcare*, published in 2002, highlighted that lack of suitable childcare is a major barrier to work for lone parents, and that two-thirds of non-working mothers said they would prefer to go out to work, or study, if they had access to suitable provision⁵⁸. An even higher proportion of lone mothers (78 per cent) were keen to work under these conditions.

The Children's Fund

239. The Children's Fund has £150 million a year until 2006 to fund prevention and early intervention for children at risk in the 5–13 age group. Multi-agency partnerships manage the fund in all 149 local authority areas in England. They bring together statutory, voluntary, community and faith groups and pool

skills to support children and families, to promote educational attainment and emotional and social well-being and to prevent crime, drug abuse and truancy.

240. It is too early to assess the full impact of the fund, and the evaluation will not be completed until 2007. However, monitoring data show that approximately a third of Children's Fund services operational between October and December 2002 rated school attainment and attendance as high priority objectives. Over a quarter (26 per cent) of Children's Fund services delivered in the same period targeted children from ethnic minority communities and/or refugees and asylum seekers⁵⁹.
241. Early findings from the evaluation of On Track (a crime prevention programme incorporated into the Children's Fund) show that it is making an impact on children, families and communities⁶⁰.
242. The Office for Standards in Education (Ofsted) has completed inspections of a number of early partnerships, and findings were published in July 2003⁶¹. The inspectors found that the Children's Fund provides a good model for preventative services and the quality of services is good. Early indications are of positive outcomes for children, and the fund is cost effective.

Local Network Fund for children and young people

243. The Local Network Fund supports small community groups to identify and run projects for disadvantaged 0–19-year-olds. The fund prioritises the involvement of local people, including young people themselves, in identifying and tackling child poverty and youth disadvantage. The Children and Young

People's Unit works in partnership with other voluntary organisations such as community foundations, rural community councils and grant-making trusts to provide an experienced fund administrator in each local network area.

244. In 2002/03 the Local Network Fund funded 4,300 projects throughout England run by faith, family support, youth and other community groups.
245. The Local Network Fund national evaluation will report interim findings in autumn 2003 and will test the notion underpinning the fund – that small voluntary organisations can impact on the effects of child poverty with comparatively small amounts of funding.

Case studies – Local Network Fund

The Safety Crackers project, based in North Shields, was started by parents to improve the safety of their homes. The project raises awareness of home safety and fits safety equipment for low-income families with children under school age.

The Goole Furniture Recycling Scheme provides families on low income, particularly rehoused families, with recycled nursery equipment and furniture. It recognises that many rehoused families do not have the resources to buy basic household furniture.

Bear Necessities is a wheelchair sports association providing competitive basketball for young people whose disabilities exclude them from access to facilities that their peers enjoy.

Local preventative strategies and identification, referral and tracking

246. As part of our drive towards co-ordinated services with a preventative focus, we are supporting the development of local preventative strategies in all upper tier and unitary local authority areas in England. These strategies will be supported by identification, referral and tracking (IRT) systems to facilitate the sharing of essential information between professionals working with children and young people.
247. The development of local preventative strategies and IRT began in spring 2003 and will be an incremental process, building on what works. Ten Trailblazer authorities have each been allocated up to £1 million to develop IRT solutions in the context of local preventative strategies and to inform the development of such systems across England.

Teenage pregnancy

248. The UK has the highest teenage birth rates in Western Europe. As a result, we established a teenage pregnancy strategy in 1999 with two aims:
- to halve the under-18 conception rate and to set a firmly established downward trend in the under-16 conception rate between 1998 and 2010; and
 - to increase to 60 per cent the participation of teenage mothers in education, training or work by 2010.
249. The reduction of teenage pregnancy requires a multi-faceted approach that helps young people resist pressure to have early sex, improves sex and relationships education and ensures access to youth-focused contraceptive advice services. The best available international research evidence backs this approach⁶².
250. Support and encouragement for teenage parents to continue their education, training and employment reduces the risk of long-term social exclusion, in turn providing their children with better opportunities and chances in life.
251. Our **indicators of progress** show an encouraging reduction in the under-18 conception rate of 10 per cent since 1998 (Table 1.3). Furthermore, there has been progress in raising the proportion of teenage parents in education, training or work, from 16 per cent in 1997 to 27 per cent in 2003⁶³.

Table 1.3: Under-18 conception rates per thousand females aged 15–17 (England)

	1971	1981	1991	Baseline					
				1995	1997	1998	1999	2000	2001
Under-18 conception rate	54.7	38.7	45.5	41.6	45.8	47.0	45.3	43.8	42.3

Source: Office for National Statistics Birth Statistics (England).

Children in care

252. Children in care are among the most deprived children in our society. And young people who have been in care are hugely over-represented among rough sleepers, offenders and runaways. They have particularly low levels of educational attainment compared with all children. They have poor results in Key Stage tests at ages 7, 11 and 14 and just one per cent go to university. In 2002, 59 per cent of them left care at age 16 or above with no qualifications, yet education is key in determining success in later life. Without qualifications, it is very difficult for children to make a successful transition to adulthood.
253. Extensive consultation with key stakeholders and young people highlighted five key reasons why children in care underachieve in education⁶⁴.
- The lives of too many children in care are characterised by instability.
 - Children in care spend too much time out of school or other learning environments.
 - Children in care do not have sufficient help with their education if they get behind.
 - Primary carers are not expected, or equipped, to provide sufficient support and encouragement for learning and development.
- Children in care have unmet emotional, mental and physical health needs that impact on their education.
254. In addition, the education of children in care is adversely affected by a number of underlying factors that make change difficult. These include staff and skills shortages, organisational structures that act as a barrier to joined-up working, and weaknesses in management and leadership. Many of these issues are being addressed by the proposals in the Green Paper *Every child matters*⁶⁵.
255. We have taken action to improve services for children in care. Established in 1999, Quality Protects is a five-year programme to improve the management and delivery of children's social services. It is a key part of our wider strategy for tackling social exclusion, focusing on helping the most vulnerable and disadvantaged children in our society – those looked after by local authorities, those in the child protection scheme and other children in need. The programme is supported by £885 million over five years and is one of the key levers for delivering the PSA target on improving life chances of looked after children.
256. Key elements of the programme include clear objectives for children's social services, and key new pieces of guidance and legislation such as *Joint Guidance on the Education of Children and Young People in Public Care*⁶⁶, and national targets to increase the proportion of children in care gaining GCSEs.

257. To help local authorities implement this joint guidance, we have set up the Education Protects programme, which aims to bring together all the relevant partners to improve the educational attainment of children and young people in care. There are ten regional networks of local authorities supported by Education Protects advisers. These networks:

- support the implementation of the guidance on the education of children and young people in care;
- disseminate good practice on key issues such as attendance, admissions and out-of-authority placements;
- seek to ensure that key partners in education, health and social services act in a co-ordinated and coherent way; and
- improve educational planning for all children and young people in care.

258. A new website has recently been set up to publicise the Education Protects programme and support the dissemination process⁶⁷.

259. Improvements are also beginning to be seen in the educational attainment of looked-after children, although the rate of improvement is not as great as we had hoped and the overall level of attainment remains low. Our **indicator of progress** shows a slight increase from 7.3 per cent

in 1999/2000 to 7.5 per cent in 2001/02 in the proportion of 16-year-olds who have been in care for at least a year and who obtained at least five GCSEs at grades A* to C.

Parenting support

260. Successful parenting is the key to achieving healthy families and strong communities. Through the Family Support Grant, and the Parenting Fund (currently under consultation) we have demonstrated our commitment to develop effective and accessible support to parents.

261. Family breakdown can have pervasive ill effects on children, as well as a wider social and economic impact. Furthermore, children can be harmed by conflict and domestic violence, which can lead to social exclusion – for example, through low educational achievement, poor health and offending⁶⁸. So a child's life chances are improved if family breakdown or difficulties can be avoided or their impact mitigated. However, the scale of the task is huge.

- The parents of around 150,000 children divorce each year.
- Each year around 6,000 children suffer family breakdown to a point where they need to be taken into care, the majority through foster placements.

262. We support parents and children by:

- working to prevent family breakdown from happening in the first place, for example through Marriage and Relationship Support Grants, Family Advice and Information Networks, and family mediation funded by the Community Legal Service; or
- ensuring that the child's needs are paramount when breakdown does happen, and encouraging parents to negotiate child contact arrangements for themselves, which reduces conflict in the family; and
- representing the child's best interests if they do go to court, through the Children and Family Court Advisory and Support Service.

Delivering change and improving educational standards

263. There is good evidence that high standards – especially in literacy and numeracy – are the backbone of success in learning and in life. Around 70 per cent of pupils who achieve Level 4 at age 11 go on to obtain five or more GCSEs at grades A* to C, compared with just 12 per cent of those not achieving Level 4⁶⁹.

264. Young people need to leave education equipped with the right skills to make the most of the opportunities available in the modern labour market. Our policies

aim to raise educational standards for all children, while addressing inequalities in outcomes at the same time.

Data collection

265. The Pupil Level Annual School Census gives a much clearer picture of the relative performance of particular groups of pupils⁷⁰. It enables school managers and policy makers to ask questions about which groups are doing well and which are doing less well, and will also improve accountability. Over time, data will allow the assessment in greater depth of the real impact of initiatives and programmes on pupils, and will help to shape the policies of the future.

266. In addition, information on individual school performance enables us to see where schools are making a real difference to children's learning. For example, data on primary schools compiled according to the percentage of children receiving free school meals, show clearly the wide variation in performance of the top and bottom schools with similar levels of disadvantage.

Performance standards

267. We have set ambitious targets for performance in the key subjects at ages 11 and 14 to underpin the drive to improve educational standards. In 2003, 75 per cent of 11-year-olds achieved Level 4 in English and 73 per cent achieved Level 4 in mathematics – this is a dramatic improvement over the position in 1997 when only 63 per cent

reached Level 4 in English and 62 per cent in mathematics. Between 1998 and 2002, 84,000 more children achieved Level 4 in mathematics and 60,000 more in English. We want to see 85 per cent of children getting Level 4 in English and mathematics at age 11 by 2006.

268. Since the introduction of targets, some of the greatest improvements in performance at age 11 have been achieved in deprived areas. Among the most improved local education authorities in 2003 were Lambeth, Lewisham, Newham, Tower Hamlets and Waltham Forest. We are determined to tackle underperformance and to challenge schools to match the achievement of the best schools in similar circumstances to their own. The new Primary Strategy will build on the improvements already made to deliver the higher standards that we want to see.
269. The 2003 results at age 14 were the best ever. In English and science, 68 per cent of pupils achieved Level 5, and 70 per cent achieved it in mathematics. Several local education authorities in deprived areas made significant gains in performance, including Hackney (up 14 percentage points in English over 2002) and Blackburn and Darwen (up 9 percentage points in mathematics over 2002).
270. Our target is for 75 per cent of 14-year-olds to achieve Level 5 in English and mathematics, and

70 per cent to achieve Level 5 in science, by 2004. There are further targets for improvement in these subjects for 2007.

The Primary Strategy

271. The Primary Strategy, *Excellence and Enjoyment – A Strategy for Primary Schools*, published in May 2003, sets out our vision for the future of primary education⁷¹. The vision is for every primary school to combine excellence in teaching with enjoyment of learning. We will continue to focus on high standards within a broad and rich curriculum. The strategy will build on the existing literacy and numeracy strategies to support teachers and schools across the whole curriculum.
272. Learning should be focused on individual pupils' needs and abilities. The strategy will support local education authorities, schools, teachers and classroom assistants in providing a tailored approach to support children with Special Educational Needs, and groups whose needs may not have been properly addressed in the past, such as those from ethnic minority groups. We will also make sure that children are supported at points of transfer and transition, as they move into primary school and as they move on to secondary education. We will also support schools in teaching positive behaviour for all children, and give extra support to those children who need it most.

Key Stage 3 National Strategy

273. There has been widespread recognition for some time that children do not make sufficient progress in the middle years of education (between the ages of 11 and 14 years at Key Stage 3). Evidence shows that for many pupils this is a time of falling motivation and rising disaffection, reflected in the Key Stage 3 test results at age 14. It is critical to raise standards at Key Stage 3 to ensure that the high standards being achieved at primary level are not lost. Statistics show that attaining high standards at Key Stage 3 also has a direct bearing on pupils' success at GCSE⁷².
274. The Key Stage 3 National Strategy aims to improve the quality of teaching and learning in the classroom by investing in teachers' professional development. It encourages teachers to have high expectations for all pupils. Intervention programmes, which target additional funding and support at underperforming groups of pupils, are becoming an increasingly important part of the National Strategy.
275. As the strategy develops, the intervention programmes are becoming ever more differentiated in focusing additional resources on pupils who are underperforming for whatever reason.
276. We are also working to address underachievement in particular pupil groups. For example, from September 2003, schools from three local education authorities in London will be piloting new

Key Stage 3 materials and approaches, including school-based mentors. The aim is to raise the attainment of Black Caribbean boys, who at present achieve the least. This is part of the London Challenge, a government initiative aimed at providing London with a world-class education system. The pilot will be broadened to include those from other underachieving ethnic minority groups, strengthening work with pupils for whom English is not a first language. It will also develop further support for White working class pupils with teachers who understand the best ways to raise achievement for all pupils in a multi-cultural classroom.

277. The strategy is also being developed to incorporate a new behaviour and attendance strand. This will ensure that all secondary schools have effective whole-school behaviour policies that promote a learning environment where there is respect for all.

Excellence in Cities

278. Excellence in Cities is a targeted programme to transform urban secondary education in our major cities and smaller pockets of deprivation. The programme has concentrated support in the poorest areas since 1999, and has a number of targeted strands of activity. These include learning mentors working with children to overcome their barriers to learning, the Gifted and Talented programme, and City Learning Centres, which bring state-of-the-art information technology facilities to the inner cities.

Excellence in Cities partnerships are now using the new Leadership Incentive Grant to encourage collaboration between schools to build leadership capacity and strengthen both teaching and learning.

Curriculum

279. The content of the curriculum is key to engaging pupils in learning and overcoming exclusion. This can be particularly important for pupils from socially disadvantaged groups who may not see their culture, history and values reflected in their school experience.
280. The introduction of citizenship as a statutory subject from September 2002 ensures that, for the first time, all pupils will be taught about the diversity of national, regional, religious and ethnic identities in the UK and the need for mutual respect and understanding. It provides distinct opportunities for pupils to develop an appreciation of fairness and social justice. They will also gain an understanding of the nature of prejudice and anti-social and aggressive behaviours such as racism and bullying, and develop skills to challenge them assertively.
281. There is a focus on active citizenship to help young people develop the knowledge, skills and understanding to play an effective and responsible role in society. They will gain awareness and explore the fact that rights go hand-in-hand with responsibilities both to others and to society.

Leadership Incentive Grant

282. We have set floor targets for GCSE attainment to help narrow the gap between our highest and lowest performing schools, many of which serve our poorest communities. By 2006, at least 25 per cent of children in all mainstream secondary schools should achieve five or more GCSEs at grades A* to C (or equivalent). The number of schools not achieving this dropped from over 500 in 1998 to 297 in 2002.
283. The Leadership Incentive Grant, introduced in April 2003, provides £175 million a year for three years to mainstream secondary schools in recognised areas of deprivation or with low levels of GCSE performance. The grant is designed to raise standards, strengthen leadership at all levels and stimulate powerful collaboration among groups of schools to raise standards of teaching and learning throughout communities of schools. Schools decide how best to use the money to tackle their individual and collaborative priorities. These are identified through a rigorous process of self- and peer-assessment of each school's strengths and weaknesses.

Behaviour and Attendance Strategy

284. The relationship between disaffection and disruptive behaviour and underachievement is well established. We are therefore working to ensure all schools have effective, well-led and

consistently applied behaviour policies based on respect, fairness and inclusion. Advice from central government on whole-school behaviour policy, behaviour audit instruments and training for school leadership teams will help those teams to assess the effectiveness of their school behaviour policies.

285. Promoting regular school attendance is a key element in the drive to raise standards in education. Truancy is often linked to behavioural problems. Tackling truancy is not just a matter of changing schools' behaviour; we need to change the behaviour of children and their parents too, and the wider community. We need to change the culture that tolerates school absence.

Skill Force

286. Skill Force is a national youth initiative to re-engage potentially disaffected 14–16-year-olds with mainstream education. Pupils drop two GCSE options in favour of a more vocationally-based education, and recently-retired military instructors deliver a wide range of key skills. Skill Force began with two teams in Newcastle and West Norfolk, and now operates in 23 teams across England, Scotland and Wales. There are about 2,500 young people involved in almost 100 schools.
287. The curriculum provides a mixture of outdoor and classroom-based activities including the Duke of Edinburgh Award Scheme and the St John Ambulance Young Life Savers Award, as well as formally recognised qualifications such as Key Skills at Level 1. There is an emphasis on raising self-esteem through problem-solving and team-building activities, taught for one day a week over two years.
288. The scheme has just completed its third year and results have been impressive, with improved attendance and reduced exclusions. Evaluation of its impact in reducing by 50 per cent those not entering education, employment or training on leaving school will be provided by the University of London's Institute of Education in September 2003.

The role of parents

289. Parents are children's first educators and have a huge influence on their children's educational, social and emotional development. They also have an important impact on the educational attainment of socio-economically disadvantaged pupils. If parents support their child's learning, their child is more likely to do well at school. Parents working in partnership with schools, through parental input and constructive dialogue, can create better ways of working, contributing to higher achievement.
290. We are currently developing plans to enhance the work that is already going on with parents in many schools. This work aims to inform parents better about the education system and about how they can help their children learn, both with their school work and at home.

This information is being provided through schools, parents' organisations, leaflets, a parental website and publicity campaigns. We will also support schools in working with parents by providing materials and case studies for schools to use.

Gifted and talented pupils

291. Within each socio-economically disadvantaged group of pupils there are pupils who are able or exceptional. It is important that the needs of these pupils are met so that they are able to fulfil their potential and act as role models for others. The Gifted and Talented strand of Excellence in Cities ensures that schools introduce teaching and learning programmes and complementary out-of-school-hours study support programmes for their most able 5–10 per cent of pupils, allowing them to develop at a pace consistent with their abilities. As the focus is explicitly on ability rather than on attainment and achievement, underachieving pupils are a priority.
292. Opportunities for gifted and talented pupils who do not live in Excellence in Cities areas include the national summer schools for gifted and talented children from year 6 to year 9, the Academy for Gifted and Talented Youth⁷³, and participation in World Class Tests. Support services for gifted and talented pupils and their teachers in the Greater London area are also being developed as part of the London Challenge initiative.

A range of online support for the teachers of gifted and talented children is also available nationally, and includes guidance on teaching the National Curriculum to gifted and talented children and Xcalibre, a subject-specific directory of resources⁷⁴.

Creative Partnerships

293. Creative Partnerships is a national programme to provide new and sustainable ways of involving young people and their schools in the cultural life of their communities, nurturing their innate creativity and supporting teachers and creative people to work with them.
294. Since the launch of the programme in September 2002, some 70,000 children have taken part in 892 projects in 16 deprived areas across England. Young people in Manchester, for example, have been working with the Royal Exchange Theatre, exploring issues around identity and self-esteem. With a further commitment of £70 million announced in June 2003, the programme will now be extended to 20 new areas, and it will be operating in around 50 of the 88 Neighbourhood Renewal Fund areas by 2006.

Enterprise in schools

295. Following the Davies Review of enterprise in education, the first tranche of pilots will start in September 2003⁷⁵. These aim to explore the best ways of enabling pupils to engage in five days of enterprise experience. In addition, Budget 2003

announced £16 million for the establishment of enterprise advisers to work alongside headteachers in secondary schools in the most deprived parts of England from September 2003. These will complement the work of learning mentors and others in enabling pupils from disadvantaged backgrounds to access a more culturally diverse approach to learning crucial skills for life.

Transition to further and higher education and work

14–19 reforms

296. The new reforms set out in *14–19: Opportunity and Excellence* will in time address the disengagement from learning and poor results that characterise the experience of too many ethnic minority and socio-economically disadvantaged students⁷⁶. The reforms provide an opportunity for all young people to choose from a range of courses and qualifications that better meet their interests and aspirations and enable them to continue into further and higher education. The quality of advice young people receive will be key to enabling them to make choices that allow them to fulfil their potential.

Education Maintenance Allowance

297. The introduction of Education Maintenance Allowance (EMA) is part of our commitment to ensure that all young

people have the opportunity to fulfil their potential, no matter what their financial circumstances may be. The aim is to improve participation, retention and achievement in education beyond the age of 16 and we believe that providing 'something for something' financial support will be a key means of achieving this.

298. Eligible young people can receive an allowance of up to £30 a week if they stay on at school or college. To receive an EMA, a young person must sign an agreement that sets out details of their course, attendance and homework requirements. Any young person not sticking to their agreement will have their EMA stopped.
299. We have been piloting EMA in 15 local education authority areas since September 1999 and in another 41 areas since September 2000 (30 per cent of the country). The aims of the pilots are to test the effectiveness of offering an incentive to young people to encourage them to stay on in education, and to test which particular variant of the eight in operation at the moment is most effective.
300. The EMA scheme will be extended throughout England from September 2004. The weekly allowance will be paid at three levels – £30, £20 and £10 – subject to annual household income. The precise income thresholds have yet to be announced, but will be made available in early 2004.

301. In the first year of the English scheme all young people aged 16 who are planning to continue their education in school or college from September 2004 can apply. In pilot areas young people who are currently in a school sixth form or college and plan to continue their education into years 13 or 14 from September 2004 can also apply for EMA, but only under the terms of the English scheme.

Connexions

302. Connexions is our frontline support service for all young people in England aged 13–19. It is a universal service delivered through 47 partnerships that operate on boundaries shared with Learning and Skills Councils. It provides integrated advice, guidance and access to personal development opportunities to help remove barriers to learning and progression so that young people make a smooth transition to adulthood and working life. Personal advisers provide advice on careers and lifestyle issues as well as on barriers such as homelessness and drugs. They refer young people to specialist support where needed. In 2002/03 there were over three million interventions of a substantial nature with young people.

303. Connexions Direct is a helpline and internet service for 13–19-year-olds, which will be available across England by April 2004. Twenty Connexions Partnerships are currently piloting Direct, which is already attracting over 1,000 contacts a week.

304. Summer Plus was delivered through Connexions as part of the behaviour improvement package last year. Seventy-one per cent of those engaged have returned to education and there has been a reduction of nine per cent in young people referred to Youth Offending Teams for robbery in Summer Plus areas, compared with a ten per cent increase for non-Summer Plus areas⁷⁷.

305. Positive Activities for Young People was announced in January 2003 as a cross-government programme, building on the experience of Summer Plus and other holiday activities programmes. Its aim is to support young people aged 8–19 at risk of social exclusion and of committing crime. It will run from May 2003 to March 2006, providing positive activities for young people during all school holidays and access to out-of-school activities throughout the year.

306. Millennium Volunteers encourages 16–24-year-olds to make a sustained commitment to volunteering that benefits others and their communities. Around 140 projects across England offer a wide range of volunteering opportunities. More than 99,000 young people have volunteered since 1999.

307. The Neighbourhood Support Fund is delivered through local voluntary and community organisations and supports the hardest to reach 13–19-year-olds, including those excluded from school, or at risk of becoming excluded.

To the end of March 2003, over 44,000 young people had been supported through this fund, with 61 per cent of those leaving achieving a positive outcome.

308. The statutory Youth Service has a key role to play in Connexions, providing personal and social development for young people, helping them to deal with the issues that affect them. There is a major Youth Service programme under way to raise investment, tackle quality and inspection, address leadership, management and workforce issues and increase the amount of provision for young people.
309. Feedback is positive – 78 per cent of respondents to a stakeholder survey regarded joint working in their areas as effective compared with 40 per cent before the introduction of Connexions⁷⁸. Furthermore, 62 per cent believed that services to young people with multiple barriers have improved.
310. An independent survey of over 16,000 young people who had used the Connexions service has been carried out⁷⁹.
- 91 per cent said they were either satisfied or very satisfied with the service.
 - 90 per cent agreed that Connexions had a lot to offer young people.
 - 86 per cent felt that Connexions helped them to see all the options available to them.

- 68 per cent said that Connexions had helped them make life-changing decisions.

Case study – Connexions

John was 17 when he contacted Connexions. He was out of work, having lost his job, and had no money for food. His parents had divorced and both had moved away, leaving John living in care trust housing. John had very low self-esteem, low motivation and no family support.

John's Connexions personal adviser immediately contacted social services to get food vouchers, and then supported him to ensure that he received his full entitlement to benefit. This involved filling in forms to prove that he was estranged from his parents.

His personal adviser then talked with John about the Learning Gateway programme and helped him to complete an individual development plan to identify his needs. The personal adviser then took John to visit two local Learning Gateway life skills providers and John chose the one nearer to where he was living. John's personal adviser continued to meet with him throughout the following six months. During that time John's confidence and self-esteem increased greatly. He also took part in recruitment panels to appoint new personal advisers for Connexions, which he found interesting and enjoyable.

Applying his new Learning Gateway skills, John got a job as a trainee butcher with training up to NVQ Level 2. Now that John is about to turn 18, the care trust housing where he was living has recommended him to the local housing authority for 'moving on' accommodation. John hopes to move into his new flat shortly. He says: "Without the support of my Connexions personal adviser, I could never have got this far – a good job with training, and a new flat. It's fantastic."

Improving public services for all

311. Good public services – accessible and high quality health and social care, decent housing, an improved environment, effective policing and law enforcement and access to justice – all make important contributions to the quality of people's everyday lives. They also help to foster the self-esteem and security that are essential to future prospects and opportunities. People who live in disadvantaged areas may have a higher demand for services.
312. That is why we attach a high priority to reversing years of underinvestment in our public services with sustained increases in new investment, backed up by reform of delivery to raise standards and extend choice.
313. But as with education, we are clear that an important part of the attainment of higher standards is to secure relatively better outcomes for the most disadvantaged families.
314. The National Strategy for Neighbourhood Renewal, launched in January 2001, represents a key departure in policy towards tackling spatial deprivation in England⁸⁰. The aims are:
- in all the most deprived neighbourhoods, to have common goals of lower worklessness and crime, and better health, skills, housing and physical environment; and
 - to narrow the gap on these measures between the most deprived neighbourhoods and the rest of England.
315. For this reason, we have introduced 'floor targets' that specify the minimum acceptable standards for the delivery of services. Deprivation will be tackled through the bending of main departmental programmes such as the police and health services, to focus more specifically on the most deprived areas. Setting floor targets means that we will ensure a certain level of standards for all. For the first time, government departments, local authorities and other service providers are being judged on their performance in the areas where they are doing worst, rather than on the national average. No longer will the poorest areas and groups go unnoticed. Achievement of these targets will help to ensure that the most disadvantaged families benefit in full measure from the improvements in public services that our investment and reforms will bring about.

Floor targets

The following is a list of the national deprivation-related targets established in Spending Review 2002.

Jobs

Over the three years to spring 2006, increase the employment rates of disadvantaged areas and groups, taking account of the economic cycle – lone parents, ethnic minorities, people aged 50 or over, those with the lowest qualifications, and people in the 30 local authority districts with the poorest initial labour market provision – and significantly reduce the difference between their employment rates and the overall rate.

Help to build an enterprise society in which small firms of all kinds thrive and achieve their potential, with

- (i) an increase in the number of people considering going into business,
- (ii) an improvement in the overall productivity of small firms, and
- (iii) more enterprise in disadvantaged communities.

Make sustainable improvements in the economic performance of all English regions, and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006.

Reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2006, and improve the accessibility of services for rural people.

Crime

Reduce crime and the fear of crime; improve performance overall, including by reducing the gap between the highest Crime and Disorder Reduction Partnership areas and the best comparable areas; and reduce:

- vehicle crime by 30 per cent from 1998/99 to 2004;
- domestic burglary by 25 per cent from 1998/99 to 2005;
- robbery in the ten Street Crime Initiative areas by 14 per cent from 1999/2000 to 2005; and

maintain that level.

Education

Increase the percentage of pupils obtaining five or more GCSEs at grades A* to C, with at least 38 per cent to achieve this standard in every local education authority by 2004.

Between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to five GCSEs at grades A* to C rises by 2 percentage points each year on average, and in all schools at least 20 per cent of pupils achieve this standard by 2004, rising to 25 per cent by 2006.

To sustain improvement in primary education by raising standards in English and mathematics so that by 2004, 85 per cent of 11-year-olds achieve Level 4 or above, and by 2006, the number of schools in which fewer than 65 per cent of pupils achieve Level 4 or above is significantly reduced.

Transform secondary education by raising standards in English, mathematics, Information and Communications Technology (ICT) and science in secondary education so that, by 2004, 75 per cent of 14-year-olds achieve Level 5 or above in English, mathematics and ICT (70 per cent in science) nationally and by 2007, 85 per cent (80 per cent in science) and by 2007, the number of schools where fewer than 60 per cent of 14-year-olds achieve Level 5 or above is significantly reduced.

Health

Starting with local authorities, by 2010 to reduce by at least 10 per cent the gap between the fifth of areas with the lowest life expectancy at birth and the population as a whole.

By 2010, reduce inequality in rates between the fifth of wards with the highest under-18 conception rate and the average by at least 25 per cent.

Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40 per cent, and the number of children killed or seriously injured by 50 per cent, by 2010, compared with the average for 1994–98, tackling the significantly higher incidence in disadvantaged communities.

Housing and the environment

By 2010, bring all social housing into decent condition with most of this improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups.

Neighbourhood renewal

Work with the full range of government departments and policies to raise the levels of social inclusion, neighbourhood renewal and regional prosperity to promote better policy integration nationally, regionally and locally; in particular to work with departments to help them meet their PSA floor targets for neighbourhood renewal and social inclusion.

316. We also recognise that better service delivery demands the involvement of local communities in designing solutions. Chapter three gives more information about our partnership working.

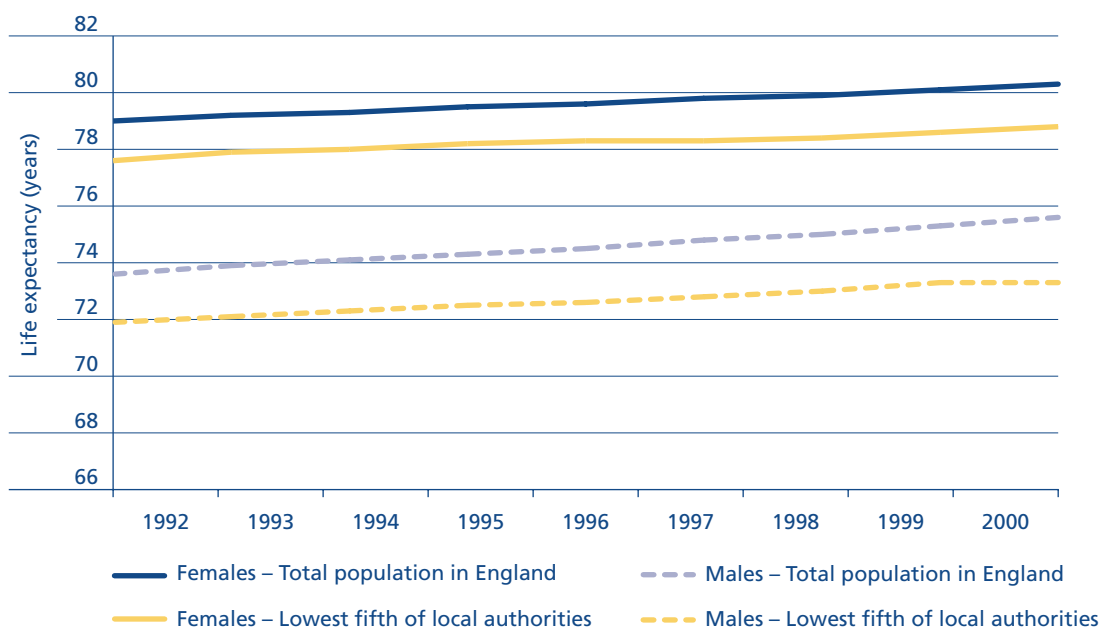
317. The following paragraphs look at progress so far in achieving these targets in the key public services of health, housing and the environment, and access to justice. We review the evidence on the reasons for the current inequalities of outcomes and what strategies are in place to address them.

Tackling health inequalities

318. Health and life expectancy are still linked to social circumstances and childhood poverty. Despite improvements, the gap in health outcomes between those at the top and bottom ends of the social scale remains large and in some areas continues to widen. Some parts of England have the same life expectancy as the national average for the 1950s⁸¹. These inequalities mean poorer health, reduced quality of life and early death for many people.

319. One of our **indicators of progress** monitors the gap in life expectancy between the fifth of health authorities with the lowest life expectancy at birth and the population as a whole (Chart 1.5).

Chart 1.5: Life expectancy for males and females in the fifth of health authorities with the lowest life expectancy compared with total population (England)



Source: Government Actuary's Department – total population life expectancy figures.
Office for National Statistics – figures for the fifth of local authorities with lowest life expectancy.

320. To understand better the causes of health inequalities and how to tackle them, we established an independent inquiry chaired by Sir Donald Acheson. The report, *Inequalities in Health*, highlighted the ways in which the policies and programmes of a range of government departments could have an influence on reducing health inequalities, and the potential of a more co-ordinated approach to achieve greater synergy and impact⁸².

321. The report underpinned our initial policies to address inequalities outlined in the *Saving Lives: Our Healthier Nation White Paper*⁸³, *The NHS Plan*⁸⁴ and the *Tackling Health Inequalities* consultation document⁸⁵.

322. The consultation emphasised that national leadership for the strategy needs to be supported by local action.

This is most successful when local needs are understood, organisations work together in partnership and with political backing, and when local people are involved in the planning and management of initiatives.

323. Following on from this, a cross-government programme has now been published, *Tackling Health Inequalities: A Programme for Action*⁸⁶. This will maximise the impact on health inequalities of our investment in public services and programmes. It also seeks to convey that change is achievable through the energy and commitment of frontline workers, communities, voluntary bodies, businesses and individuals, when supported by appropriate planning, performance management and inspection systems.

324. Chart 1.6 explains how the principles underpinning our programme for action are organised around four themes.

They are:

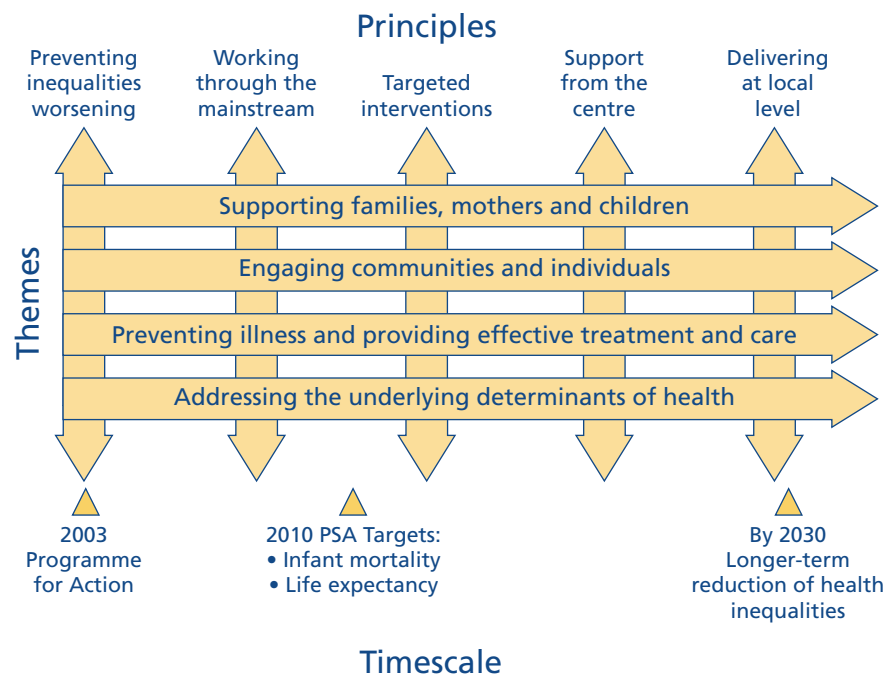
- supporting families, mothers and children – reflecting the high priority given to them in the Acheson inquiry report;
- engaging communities and individuals – strengthening capacity to tackle local problems and pools of deprivation, alongside national programmes to address the needs of local communities and socially excluded

groups (for example, through local strategic partnerships, New Deal for Communities and Neighbourhood Management programmes);

- preventing illness and providing effective treatment and care – through tobacco policies, improving primary care and tackling the big killers of coronary heart disease and cancer. The National Health Service (NHS) has a key part to play in contributing to the national health inequalities targets at local as well as national level; and
- addressing the underlying determinants of health – emphasising the need for concerted action across government at national and local level up to and beyond the 2010 target date.

325. Over the long term, the application of the principles of the programme for action will require the reshaping of services, different use of resources, and changes in corporate culture. The use of floor targets for key service outcomes across government, and the development of National Service Frameworks (on coronary heart disease, diabetes, older people and mental health), are examples of how to improve the quality of services in the NHS while guaranteeing standards for all. They will also help expedite progress in the most disadvantaged areas, and among the least well served populations, particularly when supported by robust performance management arrangements.

Chart 1.6: Health Inequalities Programme for Action: themes and principles



326. The successful delivery of this programme will help improve the health of the nation's most disadvantaged people at a faster rate than before – reversing a longstanding social trend. This is a considerable challenge, but a start has been made. Progress will mean fairer access to services and a reversal of the 'inverse care law' by which people with the greatest need tend to have poorer access to poorer quality services. It will also mean a better balance between treatment and prevention, creating an environment in which all families and communities will have the chance to lead longer and healthier lives.

Improving drug services

327. The Updated Drugs Strategy, launched in December 2002, sets new targets for tackling the harm caused by drugs⁸⁷. The strategy focuses on continuing to expand drug treatment but also on improving its quality and the retention of drug misusers in treatment.

328. We have a PSA target to increase the participation of problem drug misusers in drug treatment programmes by 55 per cent by 2004 and by 100 per cent by 2008, and increase year on year the proportion of drug misusers successfully sustaining or completing treatment programmes. We are currently on track

to meet this target. The number of problem drug misusers who presented for treatment at agencies and general practitioners in England in 2001/02 increased by around eight per cent over the previous year.

329. Substantial extra funds have been made available through the drug treatment pooled budget (£236 million in 2002/03) and additional steps to help achieve the target include increasing the number of drug workers, training GPs to provide drug services and expanding the provision of injectable methadone and heroin.
330. We are also conscious of the importance of addressing variations in the quality of drug treatment services. To ensure that the broadest possible range of treatments is made available to opiate users, we have developed guidance, *Models of Care*, setting out optimal models of care for drug treatment services⁸⁸.
331. One of the key priority areas in the Updated Drugs Strategy 2002 is young people, and we have a PSA target to reduce the proportion of people under the age of 25 reporting the use of Class A drugs, and to reduce frequent use of any illicit drug among young people, especially by the most vulnerable young people. Recent trends show a slight reduction in the use of drugs among young people. Findings from the report of the school survey *Smoking, drinking and drug use among young people in England in 2002*, published in July 2003,

show that 18 per cent of pupils had taken drugs in the last year, a decrease from 20 per cent in 2001⁸⁹. The survey also showed a reduction in the number of young people being offered drugs from 42 per cent in 2001, down to 38 per cent in 2002.

A better place to live

332. There are strong links between poor housing and low income, deprivation, crime and drug misuse, educational underachievement and ill health. People in deprived areas can suffer from 'postcode discrimination' when looking for work or using services.
333. A sizeable minority of people face severe problems. They live in poor quality homes, or find that their landlord provides a poor service. Many live on estates that have been left to deteriorate. Poor housing and the quality of other key services – such as schools, health and social services – are very closely linked.
334. Poor housing cannot be dealt with in isolation. The key to delivering lasting change in the most disadvantaged neighbourhoods is to take a holistic approach and to tackle other issues such as reducing crime, improving health, tackling worklessness and raising educational achievement, as well as tackling poor housing.

Decent housing

335. In 2001, 1.6 million social sector homes failed to meet decent standards (38 per cent of all social sector homes). Furthermore, 1.6 million vulnerable households lived in homes in the private sector that failed to meet the same decent standards (43 per cent of all vulnerable households).
336. Households with low income are concentrated in the non-decent homes. Some 49 per cent of social tenants and 45 per cent of vulnerable owners and tenants in the private sector are among the fifth of all households with the lowest incomes. Households with the lowest incomes, including those with dependent children or older people, are therefore likely to benefit most from progress in providing decent homes.
337. The definition of a decent home, agreed in light of an Office of the Deputy Prime Minister consultation⁹⁰, is one that meets all of the following criteria:
- it is above the current statutory minimum standard for housing;
 - it is in a reasonable state of repair;
 - it has reasonably modern facilities and services; and
 - it provides a reasonable degree of thermal comfort.
338. We have set a target to bring all social housing into decent condition by 2010, with most of this improvement taking place in deprived areas, and to increase the proportion of private housing in decent condition occupied by vulnerable groups.
339. Our **indicators of progress** show that between 1996 and 2001 the percentage of children in non-decent homes fell from 43 per cent to 30 per cent across the stock as a whole. For older people, the percentage fell from 48 per cent to 34 per cent. These substantial improvements in housing conditions of children and older people have had beneficial health and other consequences.
340. In 2002, we extended the target to seek an increase in the proportion of vulnerable households in decent homes in the private sector. The main vehicle for delivering this increase will be new, wider powers for local authorities to provide assistance for housing renewal under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. This enables authorities to tackle the inequalities caused by poor condition housing by devising solutions to address local problems and priorities. An extra £30 million has been made available in both 2004/05 and 2005/06 to help authorities support new ways of providing assistance.

341. We expect that authorities will develop new means of providing assistance – for example, low-cost loans and equity release products, alongside grants. There will also be new mechanisms for delivering this assistance, including through community finance, development initiatives or housing associations. One such initiative is the Houseproud Partnership between the Home Improvement Trust and around 40 local authorities, offering support and loan finance to elderly and disabled homeowners to repair their homes or make adaptations.
342. Proposals in the draft Housing Bill will also help to improve standards and conditions in the private housing market sector. These include replacing the housing fitness standard with an evidence-based housing health and safety rating system, and the introduction of mandatory licensing of larger, higher-risk houses in multiple occupation. Consultation on the draft Housing Bill ended in June 2003 and we are currently considering the responses received, with a view to producing a final Bill towards the end of 2003.
343. The Market Renewal Pathfinders projects have been established to tackle the most acute areas of low demand and abandonment in parts of the North and Midlands. Pathfinder strategic plans will entail radical and sustained action to replace obsolete housing with modern sustainable accommodation, through demolition and new building or refurbishment. This will mean a better mix of homes, and sometimes fewer homes.
344. The partnerships will ensure that all the other requirements of sustainable communities are addressed – especially good quality, customer-focused public services, pride in the community and cohesion within it – in line with the wider National Strategy for Neighbourhood Renewal.
- ### Tackling homelessness
345. At the end of March 2003 there were 90,680 households living in temporary accommodation, an increase of 13 per cent compared with March 2002, representing a continuous upward trend. These households were living in a range of temporary accommodation, with 36 per cent in privately leased or rented housing, 11 per cent in hostels or women's refuges, 13 per cent in bed and breakfast hotels and 35 per cent in other forms of housing (including local authority and housing association homes let on a temporary basis).
346. Homelessness results in a number of longer-term costs to the individual and to public services⁹¹. These are particularly difficult to quantify, but include physical and mental health problems, and underachievement of educational potential.

347. Homeless people tend to suffer from a similar range of physical problems to the general population, but more often and more severely, owing to restricted access to basic commodities. Those who are forced to sleep rough may suffer health problems such as foot and skincare problems, poor dental health, respiratory and other problems following prolonged life on the streets. To a lesser degree, these problems may also result from people spending periods of time in temporary accommodation, especially if the standard of accommodation is low. Children living in temporary accommodation are almost twice as likely to be admitted to hospital as children in settled housing⁹².
348. Rough sleepers are 35 times more likely than the rest of the population to commit suicide and are 4 times more likely to die from unnatural causes⁹³. The Mental Health Foundation report on the needs of homeless young people explains that mental health problems are 8 times higher for people living in hostels and bed and breakfast accommodation, and 11 times higher for those who sleep rough when compared with the general population⁹⁴.
349. The lack of anywhere to study for children living in temporary bed and breakfast accommodation has also been identified as a problem that directly affects educational attainment⁹⁵.
350. Rough sleeping is the most obvious form of social exclusion. It affects a relatively small number of people, but those people are often among the most vulnerable. Over the years a great deal of money has been spent, many hostels have been built, and many permanent homes are now available to former rough sleepers and single homeless people. Yet there remains a small but steady number of people out on the streets every night. This must change. We are also determined to avoid the damage that can be caused when homeless families with children are forced to live in bed and breakfast accommodation with cramped conditions, shared washing and cooking facilities and no room to thrive.
351. We have set two key targets relating to the most extreme manifestations of homelessness. They are to ensure that:
- reductions in rough sleeping are sustained at two-thirds below the level in 1998, or lower; and
 - by March 2004, no homeless family with children should have to live in bed and breakfast accommodation, except in emergency circumstances, and even then for no longer than six weeks.
352. We have also made available significant additional funding – over £100 million in 2002/03 and a further £260 million over the next three years – to help local authorities meet the two key targets and develop new approaches to tackle homelessness more effectively.

353. Some progress is being made. Despite the rising trend in the number of households in temporary accommodation, the number of households in bed and breakfast accommodation had fallen to 12,200 by the end of March 2003, a reduction of 420, or three per cent compared with December 2002.
354. Perhaps more importantly, in the case of families with children, numbers in bed and breakfast accommodation had fallen to 4,800 by the end of March 2003, a total reduction of nearly 2,000 families since March 2002.
355. Households with children now represent 39 per cent of all households in bed and breakfast accommodation in March 2003, down from 56 per cent in March 2002. This fall reflects the good progress being made by many local authorities, with support from central government, towards the bed and breakfast reduction target.
356. Of the 4,800 households with dependent children in bed and breakfast accommodation at the end of March 2003, 2,810 (59 per cent) of the total had been resident for more than six weeks.
357. In addition to the two key targets to tackle immediate problems in homelessness, every housing authority in England must now have in place a homelessness strategy for their area. The aims of these strategies must be to prevent homelessness and ensure that accommodation and support is available for all people who are homeless or at risk

of homelessness. Each strategy will set out the homelessness issues in the area and how they will be tackled through partnership working with local agencies and the voluntary sector. Partnership working is key to delivering real and lasting changes. Meeting the key targets is not just about numbers, it is about making a difference to people's lives. We must work together so that we can be proud of living in a country where no one sleeps rough on the streets at night and no homeless family with children has to live in bed and breakfast accommodation.

Support services for elderly and disabled people

358. The Supporting People programme will develop new services and improve existing ones for vulnerable people, including elderly and disabled people. It will also give them a greater say in how this will be done.
359. The programme will deliver increased choice for older people, based more around individual needs, and better information on their options. Major improvements for elderly people through the programme include supporting those in sheltered housing, or giving support to those who wish to continue living in their own homes but need some help to do so.
360. Our **indicator of progress** shows an increase in the proportion of older people being helped to live independently either through intensive home care or community-based services.

Improving the local environment

361. Public surveys consistently show that residents – particularly in the poorest neighbourhoods – regard ‘liveability’ issues as the most important for regeneration. In this context, liveability means ‘cleaner, safer, greener’ and essentially covers five key themes:
- reducing crime, the fear of crime and anti-social behaviour;
 - improving the care, appearance and safety of the physical environment and dealing with refuse, abandoned cars, poor lighting and environmental neglect;
 - strengthening housing management and neighbourhood management, to ensure there are focal points for tackling problems promptly, maintaining minimum standards and driving renewal;
 - developing youth projects to occupy children and young people constructively and help them keep out of trouble; and
 - providing advice services to help people deal with pressing problems such as finance, housing, violence or children, and to build individuals’ confidence and promote independence and employability.
362. Liveability issues are the building blocks of renewal: their successful deployment can stabilise communities, increase confidence and create the foundation for comprehensive, sustainable renewal and delivery of other priorities.
363. Our vision for public spaces, *Living Places: Cleaner, Safer, Greener*, was published in October 2002⁹⁶. The quality of public spaces impacts directly on people’s quality of life and the way they feel about themselves and their community. *Living Places* recognises that clean, safe, well-maintained and attractive parks and public spaces make an important contribution to the success of communities, including reduced levels of crime and improved health.
364. Creating places where people want to live and will continue to want to live is a key component of our action programme to develop thriving, sustainable communities – the Sustainable Communities Plan⁹⁷. The plan bolsters our commitment to the agenda set out in *Living Places*, and provides £201 million for taking forward some of the key announcements. For example, a new Liveability Fund over the next three years will support major local authority projects to improve public spaces.
365. At present the direct links between deprivation, social exclusion and the condition of local environments are unproven, though there is much anecdotal evidence to suggest that there is a relationship. We are conducting a study to determine the extent of these linkages as well as the action needed to improve the situation.

366. Nonetheless, we are already taking action to tackle local environmental problems. For example, more than 250 Neighbourhood Wardens Schemes have been grant-aided since 2000 and over 2,000 trained wardens are now operating. Their uniformed presence provides both reassurance and a point of contact, promoting community safety and environmental improvement.
367. We have also increased the Neighbourhood Renewal Fund – from £400 million in 2003/04 to £525 million by 2005/06 – to fund improved services in the most deprived areas, including support for environmental and liveability issues.
368. A number of proposals for engaging children and young people in improving public spaces were set out in *Living Places*. These include a new Living Spaces scheme worth £30 million over three years, providing funding and support to community groups to improve local spaces, which could include play spaces, kick-about areas and skate parks.
369. In conjunction with the Disability Rights Commission, the Department for Culture, Media and Sport has made great progress in developing a new Framework for Action on Disability to improve access for disabled people to arts, sports and cultural facilities.

Crime and community safety

370. Although they make up only 11 per cent of all local authorities, the 43 Neighbourhood Renewal Fund areas with the highest crime rates account for 40 per cent of all the crime in England and Wales. Tackling crime will therefore automatically have an effect on the lives of people living in low income households, something understood by residents in deprived areas who have continued to place a high priority on reducing crime and enhancing community safety.
371. We are working to provide a more co-ordinated approach to addressing crime reduction and community safety issues at regional and local levels. The integration of the Crime Reduction Team and Drug Prevention Advisory Service into the Government Offices, along with stronger links with the Neighbourhood Renewal Teams, will enable teams to work together to ensure that projects are targeted at those areas and neighbourhoods where the impact will be greatest.
372. Crime and Disorder Reduction Partnerships receive funding through the Building Safer Communities Fund, which combines the three former funding streams – Communities Against Drugs, Safer Communities Initiative and

Partnership Development Fund. The funding (£82.3 million in 2003/04) enables the partnerships to focus on reducing crime and drug-related crime at ground level.

373. Partnerships have the discretion to spend on any project that is in line with the priorities set out in the national drugs strategy and associated crack strategy, but which also addresses three purposes: disrupting drugs markets, cutting drug-related crime and strengthening communities.
374. The partnerships may use money allocated to them to fund projects such as:
- reducing crime and tackling other policing priorities, fitting (where possible) with the national priorities set for the police in the National Policing Plan⁹⁸;
 - managing drug problems, controlling anti-social behaviour and providing supported accommodation;
 - working to tackle anti-social behaviour related to drugs, including street problems such as begging and prostitution;
 - developing parents' support groups and residents' groups;
 - promoting needle collection or awareness campaigns;
- dealing with prolific or persistent offenders with a history of drug-related crime with treatment-based projects;
 - funding crime and disorder reduction activity – the interventions will vary depending on the partnerships' strategies and be based on a problem-solving approach that makes effective use of local knowledge; and
 - addressing partnership capacity issues, and developing closer working relationships with other partnerships.
375. The £50 million Basic Command Unit Fund was also launched in January 2003 to start by April 2003. The purpose is to help deliver crime and disorder reduction locally and to promote partnership working. The bulk of the money is going to high-crime areas, and Commanders from the unit will consider how the money can best complement local partnerships' plans and tackle local priorities.
376. We are also looking to increase community involvement in helping to reduce crime and enhance community safety. This involves producing a community empowerment training pack, *Crime Reduction Basics*, to train community volunteers to spearhead the drive against crime. It involves a two-hour training session to introduce individuals and groups in the community to the basic principles of crime and disorder

reduction and to encourage them to get involved in reducing crime. The pack can be used with a wide range of people, from youth groups through to the elderly, and can be adapted to specific groups.

377. The Crime Reduction College will also roll out a programme of Accessibility to Best Practice workshops, targeting the highest crime areas. These areas generally tend to be deprived areas and will again assist the neighbourhood renewal agenda.

Anti-social behaviour

378. Addressing anti-social behaviour is vital in increasing feelings of safety and improving quality of life within communities. This is particularly important in the most deprived areas, where anti-social behaviour can present a significant obstacle to raising the standard of living. The new Anti-Social Behaviour Unit, located in the Home Office, will be working closely across government and with the Neighbourhood Renewal Unit to ensure that initiatives to address anti-social behaviour make a real impact in the most deprived areas.
379. Anti-social behaviour blights people's lives, undermines the fabric of society and holds back regeneration. It can cause misery for many people within the most deprived communities and can be a significant contributing factor to the deprivation that exists in those neighbourhoods. It is also often targeted

towards the most vulnerable groups within our society. In addition it can discourage business from remaining or being established in the most deprived areas, because of concerns about vandalism and harassment of staff. Tackling issues such as nuisance families, aggressive or intimidating behaviour, noise pollution, fly-tipping and graffiti can help to raise the self-esteem and reduce the fears of a community and the individuals within it.

380. The Anti-social Behaviour White Paper outlines our proposals to tackle this issue through measures such as increased levels of policing, an increase in the number of community support officers, and the introduction of Anti-social Behaviour Orders⁹⁹. These measures are designed to give communities the power and authority to take control of their environment. They will help to make neighbourhoods more pleasant places in which to live and work, thus contributing to sustained improvements to the area. These proposals will be introduced through the Anti-social Behaviour Bill when it receives Royal Assent.

Access to justice

381. The courts and legal services have an important role to play in protecting the most vulnerable in society and in preventing social exclusion. In particular, these services are crucial in:

- supporting children by supporting their families (discussed in paragraphs 260–262);
- providing access to legal advice and effective resolution of disputes; and
- supporting vulnerable people.

382. We recognise that a lack of access to reliable legal advice can be a contributing factor in creating and maintaining social exclusion. Poor access to advice denies people justice, because people are unable to enforce their legal rights or even know about their rights and responsibilities. Legal and advice services can play a vital role in tackling social exclusion through providing advice on the individual's rights under the law and, if needed, how they can be enforced.

383. This is strongly supported through findings from the Legal Service Commission's first national periodic survey of legal need¹⁰⁰. This report provides hard evidence of the link between deprivation and a person's inability to resolve their problems in areas such as housing, debt, employment and immigration.

384. We are therefore improving access to legal and advice services – through the Community Legal Service – throughout England and Wales, with the aim of meeting the legal needs that most affect people's lives. In particular, advice and help is provided on problems of law in areas such as housing, debt, employment,

welfare benefits, community care, discrimination, immigration and mental health issues. The Community Legal Service Fund, with a budget of over £800 million in 2002/03, supports civil legal aid and advice services.

385. In addition, Community Legal Service Partnerships will assess the extent of the need for legal and advice services and identify how well current provision meets needs in priority areas. These partnerships now have a nearly complete coverage in England and Wales, well ahead of the March 2004 target.

386. We are also planning a unified Tribunals Service to serve the many vulnerable people who use tribunals such as the Immigration Appellate Authority, the Mental Health Review Tribunal and the Special Educational Needs Tribunal.

Case study – Legal and advice services

Mr O suffers from schizophrenia and is an alcoholic. He lives on a council estate where his neighbours take an interest in his welfare. A visitor spotted a large pile of unopened official letters from the city council's housing department and the local county court. One of his neighbours contacted the Law Centre and attended an emergency appointment with Mr O on the day before he was due to be evicted from his home by court bailiffs.

The Law Centre made an emergency application to suspend the execution of the warrant by the bailiffs. It was a difficult application because Mr O had significant rent arrears (he had not paid any rent for eight months). Mr O was eligible for Housing Benefit but he had failed to make any applications for it since a recent accident, and he was therefore advised to go immediately to the city council offices to make a claim. At court the following day the application was adjourned by the District Judge, to await the outcome of the Housing Benefit application.

Now that the immediate crisis had been averted, the Law Centre turned attention to applying for backdated Housing Benefit to cover the period when no rent had been paid. For this, medical evidence of Mr O's mental health problems was required.

The Law Centre also anticipated that the court would order Mr O to make weekly payments towards his rent arrears at £2.70 a week. But the District Judge was unlikely to be persuaded that Mr O could be left to meet this obligation unaided, and so the Law Centre will be arranging for the weekly payments towards the arrears to be paid direct by the Benefits Agency through deductions from his Income Support.

Conclusions

387. Chapter one has detailed our evidence-based strategy for tackling poverty and social exclusion. It is clear that poverty and social exclusion are deep-rooted problems that have built up over many years. But as Chapter one has shown, we have made substantial progress in many areas. We are determined to build on these improvements, year on year, to remain on track to meet the commitments we have made.
388. We have built the foundations of a stable and growing economy, raised incomes of the most vulnerable and invested in the areas that will prevent poverty arising in the future, such as in education and in healthcare.
389. Our next steps will include a continued drive to modernise our public services to create high quality, responsive services targeted at individuals' needs as well as building on the effective partnerships we have already put in place.
390. Undeniably there is still more to do and we know that we will be rightly judged on the difference we continue to make. That is why we are pushing ahead with the delivery of our policies and service improvements, backing up our pledge to deliver high quality public services for all with sustained investment and reform.
391. Our approach to these problems is evolving as we learn about what works in terms of intervention and support. Economic prosperity and social justice depend on people being able to achieve their full potential. We believe that people should get ahead based on their own resourcefulness and efforts. Poverty holds people back and denies them the opportunity to get on.
392. Therefore in Chapter two we explore the evidence in respect of three vulnerable groups that, on average, face additional barriers to work. As work is the best route out of poverty, such groups are likely to be particularly at risk of poverty and social exclusion. The analysis is presented in order to promote debate on these complex issues – we look forward to hearing your views.

Chapter two: Developing our understanding

Introduction

1. Chapter one described the progress we have made in promoting opportunities for all. Previous *Opportunity for all* reports have considered issues relating to vulnerable groups. In this chapter we explore in greater depth the problems faced by three particular groups.
 - Large families (paragraphs 3–64) have perhaps not conventionally been considered a vulnerable group, but the risk of low income increases with family size. Improving our understanding of the interrelated factors contributing to this increased risk will be important for our child poverty strategy.
 - In this, the European Year of Disabled People, the second section of the chapter (paragraphs 65–179) focuses on issues faced by disabled people. Households containing a disabled child or adult are more likely to suffer low income. And disabled people may face particular barriers to work, access to services and participation in society.
 - The final section of the chapter (paragraphs 180–256) presents some of the research evidence about outcomes for ethnic minority groups. Whilst some stark inequalities remain between ethnic minority groups and their White counterparts, there are also interesting differences between ethnic minority groups.
2. The problems faced by these groups are not mutually exclusive. Where relevant our analysis draws out the interrelated problems of these and other groups. Each section of the chapter presents an analysis of relevant research evidence, discusses how our strategy described in Chapter one relates to the group in question and identifies how our understanding of the issues might be strengthened. In the conclusions section of this chapter (paragraphs 257–260) we explain that hearing your views is an important aspect of improving our understanding.

Large families

Introduction

3. We aim to halve child poverty by 2010 and eradicate it by 2020. Low income is associated with a lack of opportunities to live secure and fulfilling lives. Work is the best route out of low income. Research supports our emphasis on labour market policies, showing that movements into work or an increase in earnings due to progression account for around two-thirds of movements out of low income¹. But some groups may find it more difficult to work or may still suffer in-work low income. Likewise, certain groups are vulnerable to risk factors that are associated with poor outcomes and social exclusion.

4. Children who live in lone parent families, ethnic minority groups, households with a disabled adult or disabled child, workless households and some couple families with no second earners are at greater risk of low income. These risk factors are not mutually exclusive. Family size is also important. Half of all poor children live in families with three or more dependent children.
5. This section presents an analysis of the characteristics of large families and the risk factors they face that are associated with poverty and social exclusion. Whilst there is a wealth of research investigating outcomes of poverty for children, research that investigates the specific role of family size is limited.
6. The analysis presented here synthesises recent evidence. However, our understanding of the interaction between family size, personal characteristics, low income, work status and child outcomes is at an early stage.

Definition

7. Several risk factors increase with family size. There is no official definition of when a family becomes large and the cut off line is arbitrary. Unless otherwise stated, in this chapter we use the term large families to mean those with three or more dependent children.

Family characteristics

8. The make-up of families in Great Britain today is arguably more complex than it was 50 years ago. Like other family types, being a large family is not a steady state. During its lifecycle a family may go through a number of transitions. For example, a family headed by a couple may break up and go through a period of lone parenthood, and the lone parent may later re-partner.
9. Likewise a family grows in size as children join it (through birth, adoption or re-partnering). A large family will later become a small family as children grow up. The length of time children spend in any one family type will vary – some children may spend their entire childhood in one family type, others may experience several. These potential family transitions should be kept in mind when considering the analysis presented.

10. The number of children living in large families represents a significant minority of all children. Chart 2.1 shows that in 2003, whilst large families constituted only 17 per cent of all families, 31 per cent of all children lived in large families.

Family type and composition

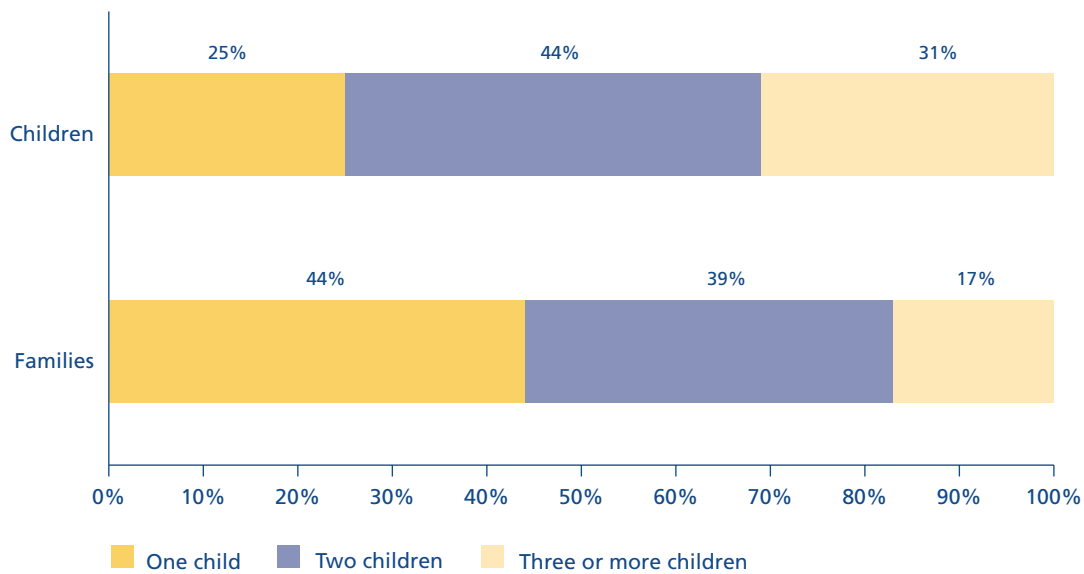
11. Economic and social outcomes, such as performance in the labour market, are often associated with family type and composition. Differences in family composition, for example the number of children and the age of the youngest child, are associated with marital status.

12. Research evidence provides a comparison of differences in family type and composition by family size.

13. The majority of mothers with large families are in their 30s. Few mothers of large families are younger than 25 or older than 45. These patterns reflect the growth of larger families over time, followed by their return to smaller family status as dependent children grow up².

- Around 60 per cent of mothers in large families fall into the 30–39 age range, compared with 45 per cent of smaller families.

Chart 2.1: Percentage of children and families by family size (Great Britain)



Source: Child Benefit administrative data, February 2003, Department for Work and Pensions.

- Only 1 per cent of mothers of large families were under 25 compared with 8 per cent of mothers of small families.
 - 7 per cent of mothers of large families were aged 45 or over compared with 18 per cent of mothers of smaller families.
14. Overall, lone parents have fewer children than couples, and cohabiting couples tend to have fewer children than married couples³.
- Whilst 50 per cent of lone parents have one child compared with only 38 per cent of couples, similar proportions of lone parents and couples have three or more children – 17 per cent compared with 19 per cent (Table 2.1).
 - However, given that more than seven out of ten of all families are headed by a couple, children in large families are more likely to be headed by a couple than a lone parent.
15. Among lone mothers, larger families are more prevalent among those separated or divorced from marriage than among those separated from cohabitation, single never partnered or widowed⁴.
- Large families represent 22 per cent of separated or divorced from marriage lone parent families compared with 15 per cent of those separated from cohabitation, 13 per cent of those single never partnered and 18 per cent of those widowed.
16. Larger families are more prevalent among married couples than cohabiting couples. Large families are also more prevalent among re-partnered couples than couples who are both parents of the eldest child⁵.
- Large families represent 35 per cent of married re-partnered couples and 25 per cent of cohabiting re-partnered couples compared with 19 per cent of couples overall.
17. Importantly for labour market outcomes, large families are more likely to contain a child under school age⁶.
- Around half of large families compared with 37 per cent of smaller families have a child under school age. Approximately a further four out of ten large families had a youngest child aged between 5 and 10, compared with around three out of ten small families (Table 2.2).

Table 2.1: Percentage of lone parent and couple families by number of dependent children (Great Britain)

	Lone parents	Couples
Number of dependent children		
One	50	38
Two	33	44
Three	13	14
Four or more	4	5

Source: Table 2.10, Marsh A and Perry J, 2003, *Family Change 1999 to 2001*, Department for Work and Pensions Research Report No 180, Corporate Document Services. Data relate to 2001.

Note: Column percentages may not sum to 100 owing to rounding.

Table 2.2: Percentage of large and small families by age of their youngest child (Great Britain)

	Small family	Large family
Age of youngest child		
0–4 years	37	51
5–10 years	29	38
11–15 years	25	10
16–18 years	9	0

Source: Table 2.3, Willitts M and Swales K, 2003, *Characteristics of Large Families*, Department for Work and Pensions In-house Report No 118. Data relate to 2001.

Note: Column percentages may not sum to 100 owing to rounding.

Ethnicity

18. Around three per cent of children in Great Britain live in Pakistani and Bangladeshi families. These children are more likely to live in a large family than children from other ethnic minority groups and their White counterparts.

Issues specific to ethnic minority groups are explored later in this chapter (paragraphs 180–256). However, where relevant the large families analysis in this section also presents breakdowns by ethnic group.

Education, qualifications and skills

Children

19. Chapter one explained the importance of obtaining good educational qualifications during childhood and adolescence to enhance future labour market activity and lifetime earnings.
20. Parents with large families are more likely to report their children as performing below average in English and mathematics. In English 19 per cent of children in families of four or more children were reported by parents as performing below average, compared with 13 per cent of all children. In mathematics the figure was 17 per cent compared with 12 per cent⁷. However, this analysis is based on self-reported data and does not control for other factors, such as social class and parental qualifications, that may influence educational outcomes for children.
21. Our strategy to raise educational standards among children and young people described in Chapter one should improve performance, regardless of family size.

Adult skills

22. Mothers in large families were slightly more likely to have left school at age 16 or under – 59 per cent compared with 54 per cent of those in smaller families. Although this difference is small, the qualifications and skill levels of parents in large families will be a key determinant of their labour market activity, earnings and consequent risk of low income.
23. Chapter one described the importance of enhancing adult basic skills and encouraging learning to equip people to find and retain jobs and progress in work. These programmes should help parents regardless of the size of their family.

Labour market activity

Workless households

24. Parents of large families are less likely to be in work, although the situation has improved since 1997. Table 2.3 details the differences for lone parent and couple families.
25. There are clear associations between lack of work and low income. Furthermore, experience of a spell in a workless household during childhood is associated with negative outcomes both during childhood and subsequently in adulthood⁸. A stable economy and our active labour market policies have helped

people move into work. Between 1997 and 2003, the number of children living in a household where no one works has fallen by 350,000. Table 2.3 shows a breakdown of rates of worklessness by family type and size. It also shows the number of children in each group.

26. Firstly, we can make a number of observations comparing family types in a given year (2003).

- Lone parent families have a greater risk of worklessness than couple families – 43 per cent compared with 5 per cent. Children in lone parent families account for around seven out of ten of children in workless households. Chapter one described our strategy to help lone parents move into work.

- Among both couple and lone parent families, large families have a greater risk of worklessness than small families. There are 700,000 children in large workless families accounting for around four out of ten of all children in workless households.

- In proportionate terms, the difference between worklessness rates for large and small couple families is greater than the difference between the rates for large and small lone parent families. The worklessness rate among large couple families is more than double the rate among small couple families, whereas the rate among large lone parent families is around one-and-a-half times greater than the rate among small lone parent families.

Table 2.3: Percentage of families with children aged under 16 in workless households by family type and family size, and number of children affected (Great Britain)

	Workless families		Number of children	
	1997	2003	1997	2003
Lone parent families	50%	43%	1,290,000	1,200,000
Small lone parent families	47%	40%	810,000	760,000
Large lone parent families	71%	66%	480,000	430,000
Couple families	7%	5%	790,000	530,000
Small couple families	6%	4%	370,000	270,000
Large couple families	14%	10%	420,000	270,000
All families	16%	14%	2,080,000	1,730,000

Source: Labour Force Survey, spring quarters.

Note: Percentages are rounded to the nearest per cent. Numbers are rounded to the nearest 10,000.

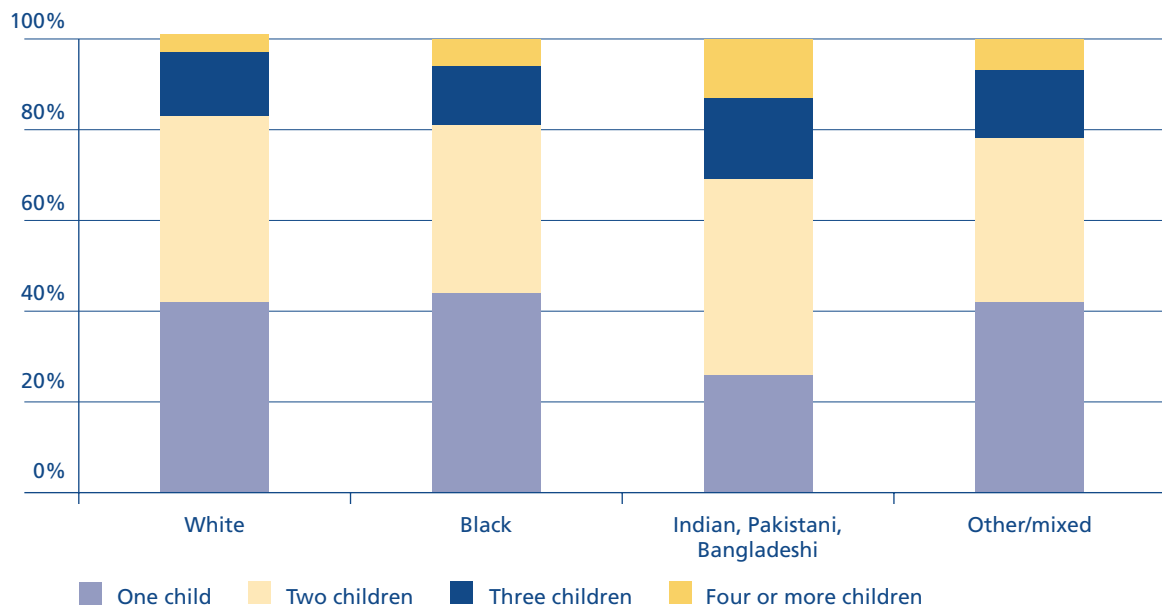
27. Secondly, we can look at changes between 1997 and 2003⁹.
- There have been falls in worklessness for all these family types.
 - In proportionate terms, the reduction in worklessness among couple families has been greater than the fall among lone parent families.
 - The proportionate fall in the worklessness rate for large lone parent families is around half the fall for small lone parent families. Among couples there is little difference in these reductions between small and large families.
28. The fact that worklessness rates have fallen for both large and small families is encouraging. But large families still have a greater risk of worklessness. This difference in worklessness rates between large and small families is likely to be related to a range of factors.
- Large families are particularly prevalent among some ethnic minority groups that may face particular barriers to work.
 - Large families are more likely than smaller families to have a youngest child below school age.
 - Childcare arrangements are likely to be more complicated and more costly for larger families, particularly those with a wide range of ages of children.
 - For lone parent families in particular, mothers of large families are more likely to have been out of work for longer periods of time, making the move into work even more difficult. Chapter one described our strategy to help lone parents move into work.
29. In a model that examined significant factors that explain movements into work of 16 hours a week or more, family size was not found to be significant. For lone parents some of the factors that were shown to play a significant role in explaining movements into work were the age of the lone parent, age of the youngest child, re-partnering, and not having a long-term illness or disability¹⁰.
30. For couples, the same research found that health-related factors, such as having neither a disabled child nor a partner with poor health, were significantly associated with movements into work. Again, family size was not an independent factor. Issues relating to disability and ill health are discussed later in this chapter.

Ethnic groups, family size and worklessness

- 31. Some people from ethnic minority backgrounds may face particular barriers to work, for example if English is not their first language (issues relating to ethnic minority groups are discussed later in the chapter). And large families are more prevalent in some cultures.

In Great Britain, 31 per cent of Pakistani, Bangladeshi and Indian families have three or more children compared with 18 per cent of White families. The difference is even more obvious when looking at families of four or more children – these families form 13 per cent of Indian, Pakistani and Bangladeshi families but only 4 per cent of White families (Chart 2.2).

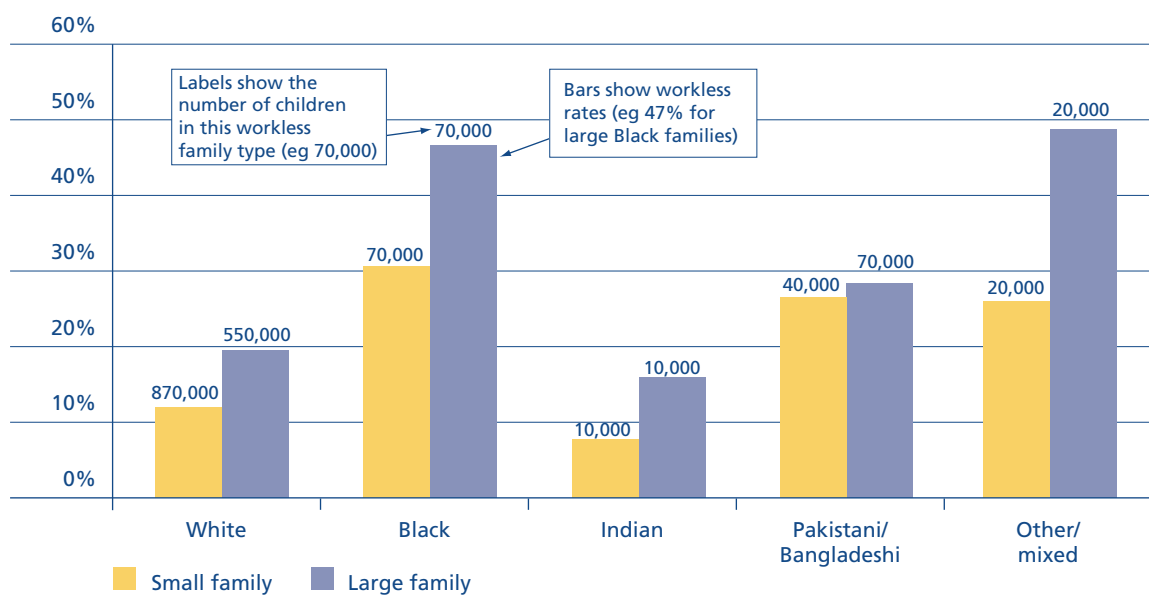
Chart 2.2: Comparison of family size composition by ethnic group (Great Britain)



Source: Willitts M and Swales K, 2003, *Characteristics of Large Families*, Department for Work and Pensions In-house Research Report No 118. Data are for 2001.

32. Chart 2.3 shows that the correlation between large family size and worklessness holds for all ethnic groups, though the difference for Pakistani and Bangladeshi families is not significant. This suggests that factors other than family size are key determinants for work status for this group. Worklessness rates are particularly high for large Black families and families of mixed or other ethnic origin, both with a worklessness rate of around 50 per cent.
33. The largest proportional difference between worklessness rates among small and large families is in those of Indian origin and mixed or other ethnic origin, for whom the worklessness rate of large families is around double that of small families. However, worklessness rates among Indian families are lower than for any other group.
34. For all other groups, apart from Pakistani and Bangladeshi families, the worklessness rate among large families is more than one-and-a-half times that of small families. Among Pakistani and Bangladeshi families, though there is little difference in worklessness rates between large and small families, the number of children affected by worklessness in large families is almost double the number in small families. This reflects the high occurrence of large families among this ethnic group.

Chart 2.3: Children in workless households by ethnic group and family size (Great Britain)



Source: Labour Force Survey, spring 2002 and spring 2003 combined.

Work search and childcare

- 35. We know that large families are more likely to have younger children. Parents may want to spend more time caring for young children, and those who do work need access to flexible and affordable childcare. Among all lone parent families the most commonly cited reasons for not looking for work were the desire to avoid spending too much time away from their children, the cost and availability of childcare, and health considerations. Couples also cited a desire to spend more time with their children, and concerns with family members' health. Childcare was less of an issue, partly because there were two adults to share caring responsibilities¹¹.
- 36. These reasons do not change for large families (Table 2.4). However, for mothers who were not working, the desire not to

- spend more time apart from their children was reported more often among large families than among small ones – 52 per cent compared with 42 per cent. This probably reflects the fact that large families are more likely to have younger children.
- 37. Among non-working mothers there were no significant differences between large and small families in responses relating to childcare. However, among mothers working 1 to 15 hours a week, in addition to stating that they did not want to spend more time away from their children, large family respondents were more likely to report the cost (though not the availability) of childcare as a reason for not seeking work of 16 hours or more than their small family counterparts – 12 per cent compared with 9 per cent¹².

Table 2.4: Reasons why mothers do not work 16 hours or more a week

	Small family		Large family	
	Not working	Working 1–15 hours	Not working	Working 1–15 hours
Don't want to spend more time apart from children	42	38	52	47
Cannot afford childcare	13	9	14	12
No childcare available	11	7	11	5

Source: Willitts M and Swales K, 2003, *Characteristics of Large Families*, Department for Work and Pensions In-house Research Report No 118. Data are from Family and Children Survey, 2001.

Note: Other reasons are also reported as reasons for not working. Parents were able to report several reasons.

38. The factors that increase the risk of worklessness among large families are also important in terms of work search for those not working. Among non-working lone parents the proportion reporting that they are looking for work decreases with family size. Whilst 22 per cent of non-working lone parents had large families, large families formed only 17 per cent of the group of non-working lone parents who were looking for work. There is less of a difference among couple families – 38 per cent of workless couples had large families, whilst 36 per cent of those who were seeking work had large families¹³.
39. Childcare arrangements may be more complicated for large families. Larger families, especially those containing children of a range of ages, may need to use a variety of childcare. Mothers in large families are reported as being noticeably more likely to confine their work to school hours. This might be to avoid the need to organise complicated childcare, or because of high costs or lifestyle choices. Older children in large families are more likely to be involved in childcare (16 per cent compared with 4 per cent for smaller families) – partly because the age range that is likely to be present in large families makes this possible¹⁴.
40. However, evidence suggests that large families do not appear to use different forms of childcare from smaller families and they are no more likely to use informal care. Large families are common among the Pakistani and Bangladeshi communities. For reasons other than family size, parents in Pakistani and Bangladeshi communities tend to prefer to use family members for childcare. Research shows that the extent to which parents use informal care depends on a number of factors including household structure, employment status, ethnicity and income level. The age of the child has a strong influence on the type of childcare that parents choose for their children¹⁵.
41. The Spending Review 2002 inter-departmental childcare review provided clear evidence of the benefits to children, their families and communities when quality childcare is delivered alongside early education, family support and health services, and when there are good quality early interventions for disadvantaged children.
42. Access to good quality, affordable childcare enables parents to work, train and study, confident that their children are in a safe and stimulating environment.
43. Our extension (from April 2003) of eligibility to the childcare element of the Working Tax Credit through the Home Childcarers Scheme will allow families to access financial support for childcare within the home. This will be of particular benefit to, among others, larger families.

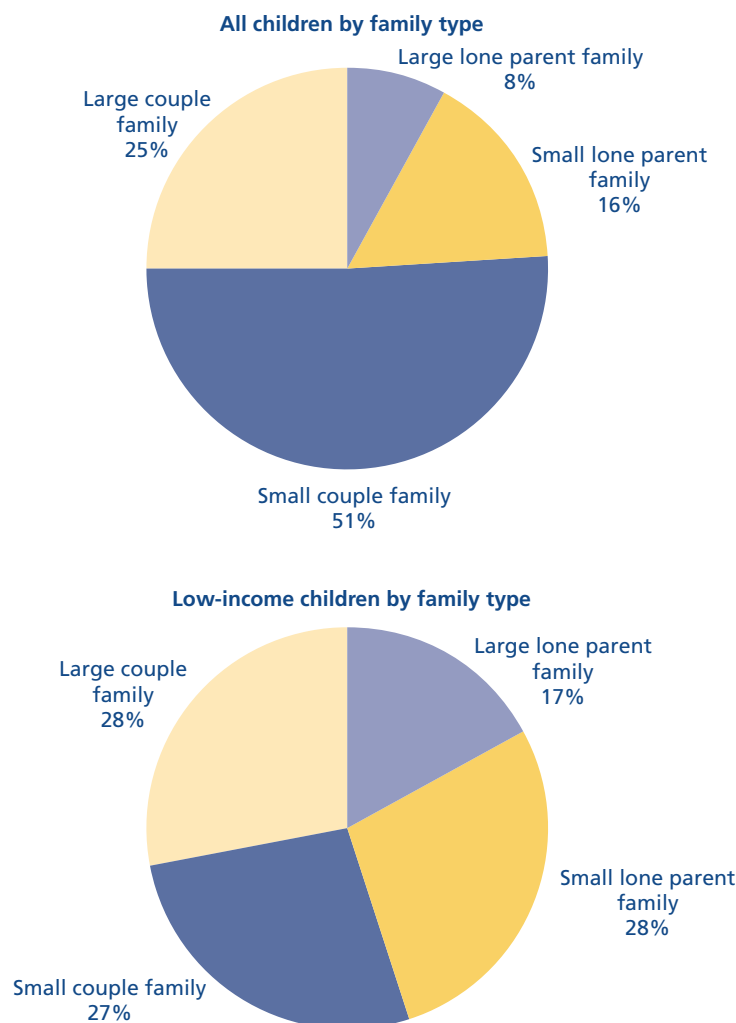
Low income and hardship

Low income

- 44. Lack of work is associated with low income. Given the greater prevalence of worklessness among large families, it is perhaps not surprising that children in large families suffer a disproportionate risk of low income. Chart 2.4 shows the

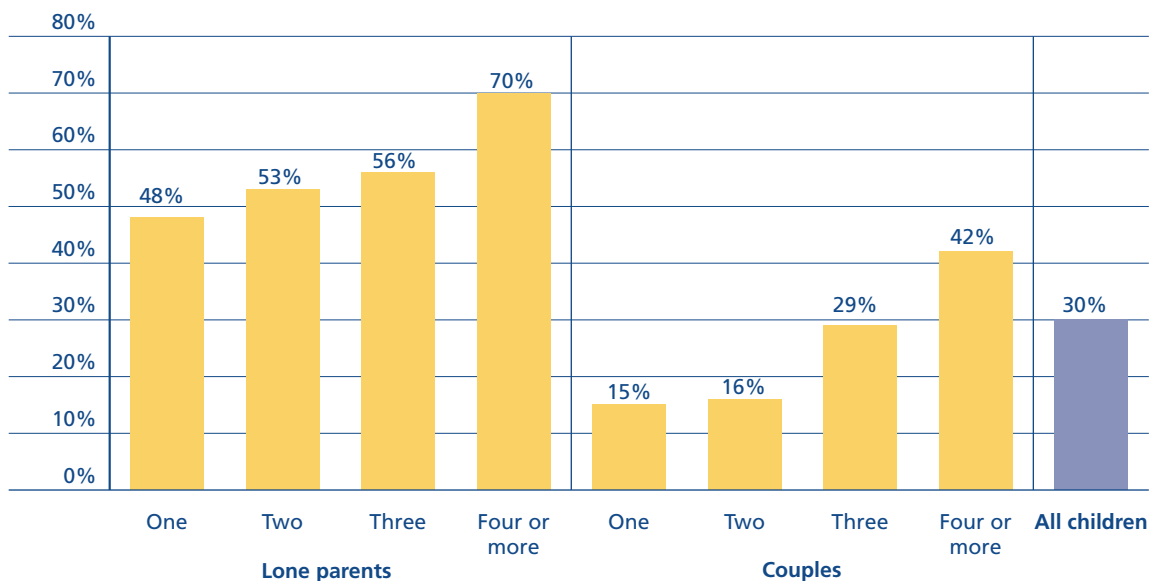
composition of the low-income group of children by family size and type compared with the population of all children in Great Britain¹⁶. Around 1.7 million children in large families live in low-income households. So large families account for almost a half of all children in low income, even though they account for around a third of all children¹⁷.

Chart 2.4: Comparison of the family types of all children with those in low income (Great Britain)



Source: Households Below Average Income 2001/02, Department for Work and Pensions.

Chart 2.5: Risk of low income for children by family type and size (Great Britain)



Source: Households Below Average Income 2001/02, Department for Work and Pensions.

Notes: 1. Low-income threshold is 60 per cent of median equivalised household disposable income.

2. After housing costs figures are shown here, though a similar pattern is evident before housing costs.

45. Chart 2.5 shows that the risk of low income increases with family size.

- Children in lone parent households suffer a disproportionate risk of low income regardless of the number of siblings, but the risk increases with family size.
- For children in couple households the risk also increases with family size, but those living in households with one or two children experience a below-average risk of low income¹⁸.

Low income and work status

46. Research shows that an increase in labour market earnings accounts for around two-thirds of exits from low income¹⁹.

The same research found family size to be a significant factor associated with both the length of low-income spells and the time between spells. Having fewer dependent children was found to be associated with shorter low-income spells and longer periods between spells. (Other significant factors were the age of family members, level of qualifications, work status and the length of time since the last spell of low income.)

47. We have also seen that children in large families account for almost a half of children in low income. And around half of the children in low income live in workless households. Table 2.5 explores the relationship between work, low income and family size in more detail.

Table 2.5: Compositional breakdowns of low-income group and population of children by family characteristics and work status (Great Britain)

	Percentage of children	
	Low-income group	All children
Small families	55	67
<i>of which</i>		
Lone parent full time	1	4
Lone parent part time	5	4
Lone parent not working	21	8
Couple one or more self-employed	6	8
Couple both full time	0	10
Couple one full time, one part time	3	17
Couple one full time, one not working	6	11
Couple one or more part time	4	2
Couple both not working	7	3
Large families	45	33
<i>of which</i>		
Lone parent full time or part time	3	2
Lone parent not working	14	6
Couple one or more both self-employed	4	4
Couple both full time	0	3
Couple one full time, one part time	2	6
Couple one full time, one not working	7	7
Couple one or more part time	4	2
Couple both not working	10	3
All children (millions)	3.8	12.8

Source: Family Resources Survey 2001/02.

Notes: 1. The estimate for 'large family, couple one or more part time' is based on a small number of households.

2. Figures may not sum, owing to rounding.

3. Low-income group is defined using 60 per cent of median threshold, after housing costs.

48. The detailed breakdown in Table 2.5 reveals that among both couple and lone parent families, whether large or small, lack of work is a key determinant of low income. Relatively few children in low income live with working lone parents. For couples the interactions between the number of workers in the household, the hours worked and the level of earnings will be more complex. Virtually no children in the low-income group have two full-time workers in a couple²⁰. Furthermore there are relatively few children in couple households with a second part-time earner in low income.
49. Low income is associated with hardship, which captures the impact of low income on a range of living standards. The hardship measure used here is defined by an index that combines nine hardship factors relating to problems with accommodation, money management and debt problems, and material deprivation (problems affording essential items such as food or clothing)²¹. The index summarises the nine factors into a single score ranging from zero to nine. Those with a score of zero do not suffer hardship, those with a score of one or two suffer moderate hardship and those with a score of three or more (up to a maximum of nine) suffer severe hardship²².
50. Given the greater risk of low income for larger families, it is not surprising that they are also more likely to suffer hardship. Hardship increases with family size for both couple and lone parent families.
51. In 2001, around half of all large families suffered hardship, compared with around a quarter of small families. Whilst for both small and large families the majority of those in hardship suffered moderate hardship, around 14 per cent of those in large families suffered severe hardship compared with 6 per cent in small families.
52. For any given family size lone parents suffered a greater risk of hardship than couples – with 90 per cent of lone parents with four or more children suffering hardship compared with 64 per cent of couples. This mirrors the pattern seen in the low-income figures²³.

Hardship

Financial support

53. Chapter one explained the system of financial support for families with children. Child Benefit is paid to all families with children. Larger families receive more Child Benefit than smaller families, though the amount paid in respect of the first child is greater than the amount paid in respect of subsequent children. Recent research has argued that ‘first-child bias’ in our system of financial support leads to the United Kingdom (UK) performing less favourably for large families in a league table comparison of 22 advanced countries²⁴.
54. The Child Tax Credit provides targeted support for qualifying families with children, and is not linked to work status. The family element – a single entitlement for all qualifying families regardless of size – is available for nine out of ten families with children. The family element is doubled for families with a child under the age of one. Each qualifying family is also entitled to an amount for each child in the family through the child element of the Child Tax Credit. The maximum entitlement is £1,445 a year for each child, which is tapered according to family income.
55. The National Minimum Wage and tax credits are making work pay (see Chapter one). Wages do not reflect the size of an employee’s family – for example the wages of two lone parents, one having one child and the other three children, in similar jobs, are unlikely to vary significantly. However, the tax credits are responsive to family size. The following case studies illustrate this.

Case studies: Tax credits for lone parents with one child and three children²⁵

Simon Brown is a lone parent with one child. Simon works full time earning an annual gross income of £13,000. Under the new tax credits the family will now have an annual net income of £14,000 (weekly income of £265), including £710 of Working Tax Credit and £1,990 of Child Tax Credit.

Paula Green is a lone parent with three children. Paula works full time earning an annual gross income of £13,000. Under the new tax credits she will now have an annual net income of £18,000 (weekly income of £345), including £710 of Working Tax Credit and £4,880 of Child Tax Credit.

Note: These calculations assume no support for childcare costs. Awards would be higher if a claim were made for eligible childcare costs.

Housing

56. Families with fewer than three children are more likely to own their home outright or with a mortgage than larger families (70 per cent compared with 61 per cent). Large families are more likely to live in social housing than small families (31 per cent compared with 22 per cent). Furthermore, large families are more likely to live in overcrowded accommodation than smaller families, and social tenants fare worst²⁶. Pakistani and Bangladeshi households are more likely to live in overcrowded conditions, partly reflecting the prevalence of large families among this ethnic group.

57. Chapter one described our commitments on housing and in particular our target to bring all social housing up to a set standard of decency by 2010. Large families will benefit from these policies.

Fuel poverty

58. The incidence of fuel poverty among households containing children in England stood at around three per cent in 2001, whilst the overall figure for the whole population was around eight per cent. Within this, for households with a lone parent the incidence of fuel poverty stands at 8.7 per cent, which is slightly higher than the overall average.
59. Whilst these figures do not specifically break down fuel poverty by family size, the finding for lone parents suggests that fuel poverty might not be any more of a problem for large families than it is for others. Chapter one outlined our fuel poverty strategy.

For the future

60. This section has explored the characteristics of large families – who have perhaps not been traditionally identified as vulnerable. We have highlighted the elevated risk of worklessness, low income and hardship faced by children in large families relative to smaller families.
61. Of course, not all large families will suffer poverty and social exclusion. Our analysis suggests that it is not necessarily family size *per se* that disadvantages large

families, but the interaction between a range of characteristics. In addition the practical constraints associated with juggling working life and family life may be magnified for larger families.

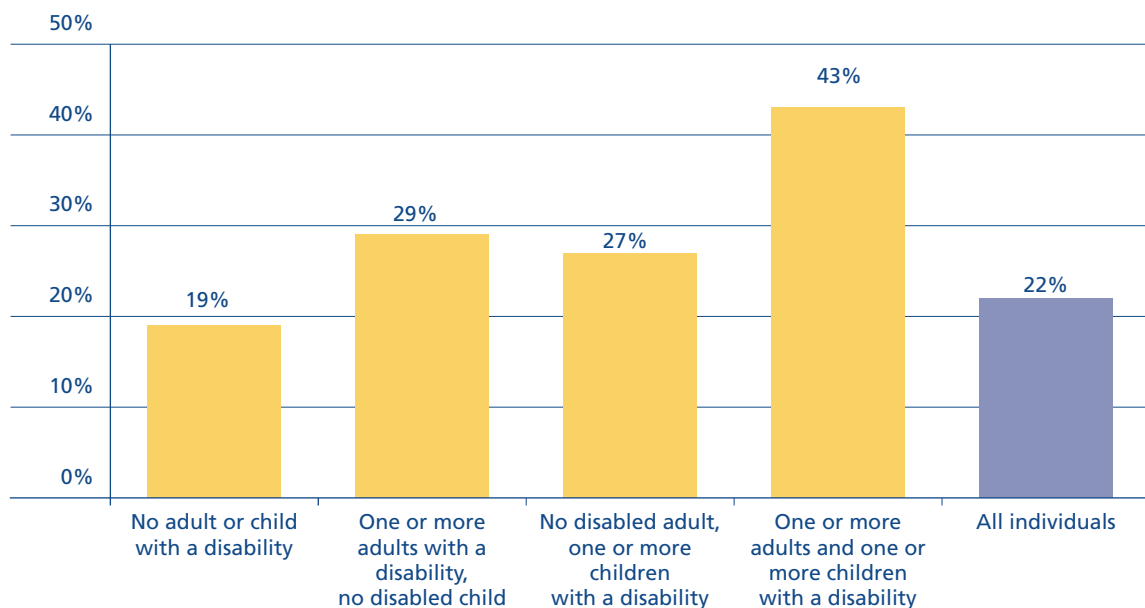
62. Many of our mainstream policies, such as our education policies and our financial support strategies, will help large families.
63. The Child Poverty Review, which was announced in Budget 2003, will set out what further action is required to halve child poverty by 2010 and eradicate it by 2020. It aims to ensure the welfare system and the range of public services work together to avoid the waste and poor outcomes that still occur all too often. Among the specific issues it will look at are:
- increasing employment opportunities;
 - improving the effectiveness with which current investment in public services tackles material deprivation;
 - improving life chances; and
 - dealing with the crisis points that families often face, all with an eye to the particular issues facing families in deprived areas.
64. Our understanding of issues relating to larger families is at an early stage and further work is needed to consider the complex interactions between family size and other factors. We would welcome your views.

Disabled people

Introduction

- 65. There are about 8.6 million disabled people in Great Britain – one in seven of the population²⁷. Around one in five people of working age in the UK report that they have a disability (about 6.9 million people)²⁸ and there are estimated to be around 110,000 severely disabled children under the age of 16 in Great Britain²⁹.
- 66. Some disabled people may have difficulties accessing services – including services specifically for disabled people as well as services for the whole population. And they may face prejudice or discrimination.
- 67. Disabled people and their families are more likely than non-disabled people to be in low-income households (Chart 2.6). Disabled people are less likely to be employed or to have higher level qualifications, and are more likely to live in a household where no one is in work. They may also have higher living costs as a consequence of their health problem or disability.
- 68. These disadvantages can lead to a high risk of poverty and social exclusion.
- 69. Our understanding of disability issues is developing all the time. This section examines the evidence and outlines how current policies support disabled people and their carers. We would welcome your views.

Chart 2.6: Risk of being in low income for all individuals, by whether their household contains a person with a disability (Great Britain)



Source: Households Below Average Income 2001/02, Department for Work and Pensions.

Background

70. The word 'disabled' means different things to different people. It can be used to cover a wide range of longstanding physical or mental health problems and impairments. Some people who fall within the scope of this chapter might not consider themselves disabled. And only a minority of disabled people fit the common perception of a disabled person as someone who has a visual or hearing impairment or who uses a wheelchair.
71. There are a number of different definitions of 'disability' relating to specific purposes. For example the Disability Discrimination Act uses a different definition to those used to define entitlement to disability benefits. In this section the word disability is used as shorthand for the definition appropriate to the issue under discussion.
72. The issues faced by disabled people will vary, depending on the disabilities they have, on their circumstances and on their personal aims and ambitions.
73. Improving civil rights and enabling people to use those rights will impact on a broad range of disabled people, allowing them to participate more fully in society. To achieve this we need awareness and understanding as well as the law. That is why we have also been engaged in media campaigns to raise public awareness of disability and to improve the public's understanding of the barriers faced by disabled people.
74. Other issues are important to certain groups of disabled people.
75. Of the 6.9 million disabled people of working age, almost half are currently in employment³⁰. Many of these will be eligible for help relating to their employment or to enable them to live a full life outside work.
76. A million of the disabled people who are out of work say they would like to work. Many others are fully capable of working, and are willing and expect to work if they are given the right support. It is only a minority of disabled people for whom work is not currently an option.
77. We must provide opportunities for work for those who want and are able to work, and training and encouragement for those who may be able to work in the future. We must also provide support for those who are not in a position to work.
78. Disabled children will need appropriate education services, in addition to support for themselves and their families so they can enjoy everyday life, whilst the concerns of disabled people over pension age may focus more on care issues than on work or education services.

Rights and inclusion

79. We must ensure that disabled people are given the civil rights necessary to enable them to participate fully in society. The Disability Discrimination Act was passed in 1995 (with more rights due to become law in 2004). Its provisions include the requirement for service providers and employers to make 'reasonable adjustments'.
80. To feel socially included, disabled people also need to be able to access work and social activities. We have brought into force a range of regulations covering rail vehicles and public service vehicles to improve accessibility for disabled passengers, including a responsibility to provide reasonable assistance to disabled people. And we are working to ensure that disabled people are able to access public spaces³¹.
81. But legislation is not enough – we must make sure disabled people are aware of their rights and are able to secure them. It is also important that we provide everyone (including employers, service providers and public bodies) with the information and support required to help them meet their responsibilities.
82. The Disability Rights Commission is an independent body set up by the Government to help disabled people establish their rights. It can provide assistance to achieve solutions without going through the courts or employment tribunals. It also provides information to

employers and service providers on their legal responsibilities. For example, it provides guidance and publishes advice on how employers and service providers may meet the requirement to make reasonable adjustments for disabled people, and a third of calls to its helpline are from employers or service providers. The adjustments can often be relatively straightforward, such as a service provider moving fixtures or fittings, or an employer allowing a disabled employee to work flexible hours.

83. We know that adults with some types of disability, particularly mental health problems, are less likely to be able to access everyday goods and services or take part in community activities. Many live without the support mechanisms that many people with other types of disability rely on – for example, people with some types of mental health problem are over three times as likely to live on their own³². The issue of access to services is part of a Social Exclusion Unit project on mental health and social exclusion³³.

Financial and social services support

84. Disabled people may be eligible for a wide range of government support, both financial and otherwise.
85. Disability Living Allowance and Attendance Allowance are non-income-related benefits designed to contribute towards the extra costs faced by severely

disabled adults and children. Many disabled people both in and out of work are eligible. Over 3.8 million people receive one of these benefits³⁴.

86. We are providing substantial financial support for families of disabled children. We have significantly increased the Disabled Child Premium in income-related benefits. And since April 2003 the child elements of the Child Tax Credit have amounted to £3,600 a year for a disabled child or £4,465 a year for a severely disabled child, benefiting almost 100,000 families in July 2003.
87. Incapacity benefits help disabled people who are out of work, whilst the disabled worker and enhanced disabled adult elements of the Working Tax Credit help those in work.
88. Increasing levels of benefits will not help people unless the benefits are claimed, and we are taking steps to ensure people claim those that they are entitled to. In particular, the Department for Work and Pensions is taking steps to improve the take-up of Disability Living Allowance and Attendance Allowance in a carefully directed way by working closely with partners, such as local authorities and welfare rights organisations, who can identify potential claimants to disability benefits.
89. In addition, we are working with local councils to provide a wide variety of support. Direct payments – cash payments made in lieu of social service provisions to individuals who have been assessed as needing services – can also offer an alternative way for care to be delivered.
90. Direct payments provide individuals with the opportunity to exercise greater choice and control over their lives, and enable them to make their own decisions about how their care is delivered. This gives them the freedom to engage with society and their own communities. For example, this can be through the employment of a personal assistant, giving them the flexibility and confidence to return to work or to be taken to the local church or temple instead of to a traditional day care centre.
91. The Direct Payments Development Fund was announced in October 2002, to encourage investment in direct payments support services. Over the next three financial years (2003/04–2005/06) £9 million is being targeted at national, regional and local voluntary organisations, in partnership with local councils, to enable them to play a significant role in the development and promotion of direct payments. And regulations that came into force on 8 April 2003 now place a duty on councils to make direct payments to individuals who may be eligible.

Education, qualifications and skills

92. Extending opportunities to disabled children must begin early. Disabled children, like all children, need to have their achievements recognised and rewarded. They also need to be stretched and to have high expectations of what they can achieve. A lack of skills and qualifications is likely to increase the risk of social exclusion and labour market disadvantage in later life. To achieve their potential, children's needs must be identified early and appropriate steps taken to enable them to access education and make good progress.
93. The Special Educational Needs and Disability Act, which came into force in 2002, extends the scope of the Disability Discrimination Act to cover education. As a result, disabled children and adults seeking access to education now have rights against discrimination.

Early years education

94. Evidence suggests that children with special needs have traditionally been identified too late. This has had a negative effect on both personal development and educational attainment. We attach great importance to early intervention to meet children's needs. The *Special Educational Needs Code of Practice* covers identification, assessment and provision in early education settings³⁵.

95. All providers of government-funded early education are required to have regard to the Code. Each provider of early years education is required to have a Special Educational Needs policy and a member of staff with responsibility for it and for co-ordinating services for children with Special Educational Needs. These providers are supported by a network of Area Special Educational Needs co-ordinators, who give advice and guidance and act as a channel to further external support.
96. In addition, we are promoting improved collaboration between professionals working in education, health and social services when meeting the needs of disabled children aged under 3. A £13 million Early Support Pilot Programme has been established to help carry forward the principles and to give practical help.

School-age education

97. About 17 per cent of school-age children are identified as having Special Educational Needs of some kind. Most of these children attend mainstream schools – only 1.1 per cent of all pupils attend special schools³⁶.
98. The most appropriate school for each child will depend on individual circumstances, but there is a presumption in law that children with Special Educational Needs will be taught in mainstream schools where this is compatible with their parents' wishes and the efficient education of other children.

But a special school placement will be more appropriate for some children. Both the severity and the type of disability will affect the choice. For example, many deaf people particularly value the chance to be schooled with other deaf people with whom they can communicate easily and who have had similar experiences – which can mean either a special school or a group within a mainstream school³⁷.

99. Adjustments may be necessary in both special and mainstream schools to improve accessibility for disabled pupils. These can include:
- improvements to the physical environment such as ramps, accessible toilets and colour schemes;
 - improvements to the curriculum, such as specialist information and communication technology; and
 - for children with long-term medical conditions who are treated as disabled under the Disability Discrimination Act, the consideration of assistance to overcome further problems such as catching up on missed work through absence associated with their disability.
100. In mainstream schools in particular, disabled pupils may have difficulties with after-school activities, both formal school-based opportunities and informal activities such as playing with friends.

Exclusion from these can lower a child's immediate quality of life, and may also reinforce feelings of separateness and inability. The duties of schools and local education authorities under the Disability Discrimination Act include after-school activities.

101. Special schools often focus on particular needs and have specialist facilities. But the catchment areas of some special schools are large, and a child's school friends may live some distance away. This, with issues around access to transport, can make after-school socialising with fellow pupils difficult for some children.
102. The choice between mainstream and special schools may also affect a child's sense of belonging. Some disabled people say that they felt 'different' at mainstream schools but at a special school they met people like them, with shared experiences (though of course some special schools have pupils with a variety of disabilities of varying severity). But providing this community of disabled people may increase feelings of separateness, both for the members of that community and for the wider world, whilst educating children with and without disabilities together enables them to get to know each other and can reduce prejudice. It also allows a child to show themselves and others that they can participate equally with non-disabled people³⁸.

Positive experiences of mainstream schools

"...all the girls in my class, they couldn't do enough for me and they just treated me like one of us..."
(Female, 32, mobility impairment, Wales)

"...although it can be difficult I like to meet up with hearing friends from school and we have a good time..."
(Female, 55, profoundly deaf, South West England)

Positive experiences of special schools

"Deaf school was better. Why? I met other children, we all had the same interest, the same language, the same experiences. Communication, there was no communication problems..."
(Female, 37, profoundly deaf, South West England)

"At new school there were still mickey-takers because kids are kids, but it wasn't so bad because everyone there was more or less in the same boat..."
(Male, 26, learning disability, Hampshire)³⁹

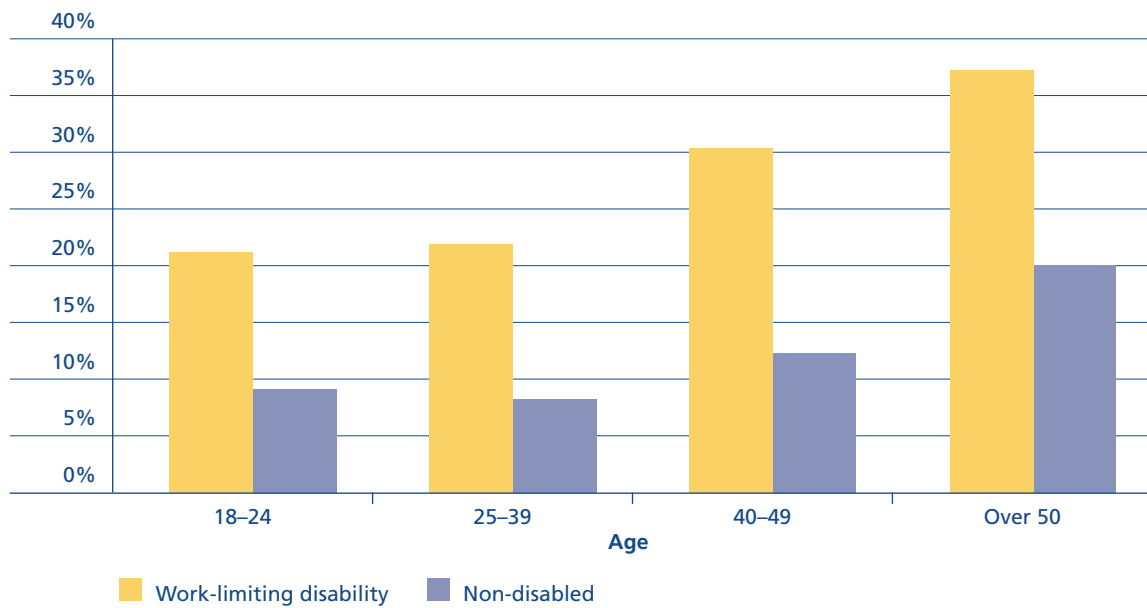
103. We believe there is a place for both special schools and mainstream schools in the education of children with Special Educational Needs. Special and mainstream schools are encouraged to work in partnership so that all children feel included and have their needs met appropriately.

Post-compulsory schooling

104. There have been many improvements in education for disabled people in recent years. Many of those with the 'double disadvantage' of being disabled and lacking formal qualifications completed their schooling some years ago. However, as Charts 2.7 and 2.8 show, people with a work-limiting disability are still more likely than non-disabled people to have no qualifications and are less likely to achieve qualifications equivalent to A level or above.

105. Overall, disabled people of working age are over twice as likely to have no qualifications. And disabled people are half as likely to have continued studying as non-disabled people⁴⁰.

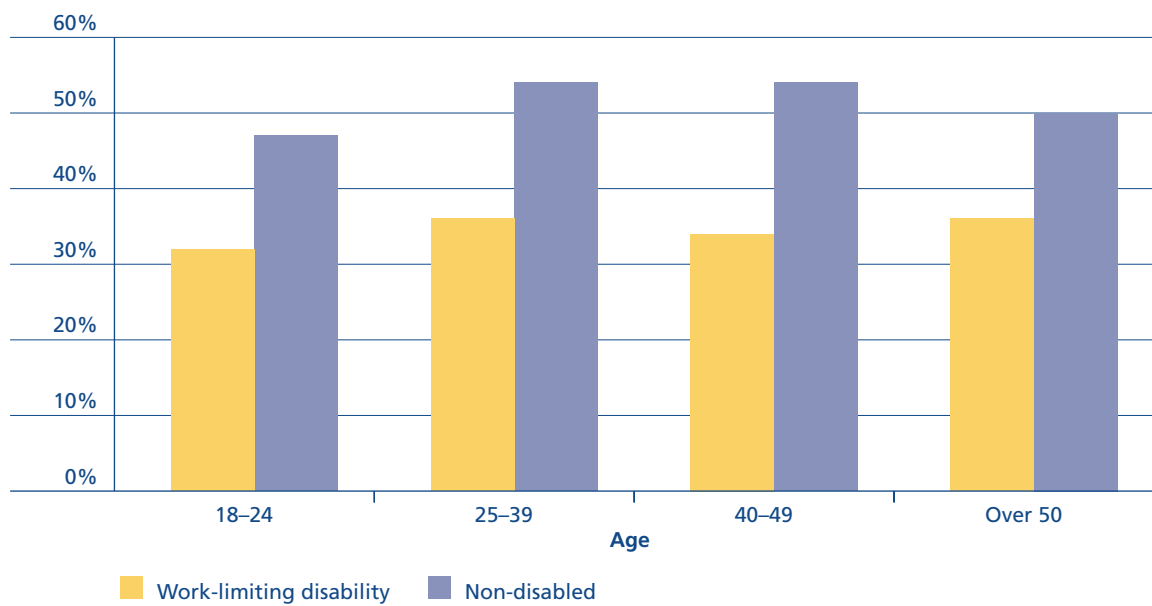
Chart 2.7: Percentage of working-age people with no qualifications by age and disability (United Kingdom)



Source: Labour Force Survey, spring 2003.

- Notes:
1. 'Non-disabled' consists of those who report neither a work-limiting disability nor a Disability Discrimination Act disability.
 2. 'Work-limiting disability' means a health problem or disability, expected to last for more than a year, that limits the kind or amount of paid work the person can do.

Chart 2.8: Percentage of working-age people with a qualification equivalent to A level or above by age and disability (United Kingdom)



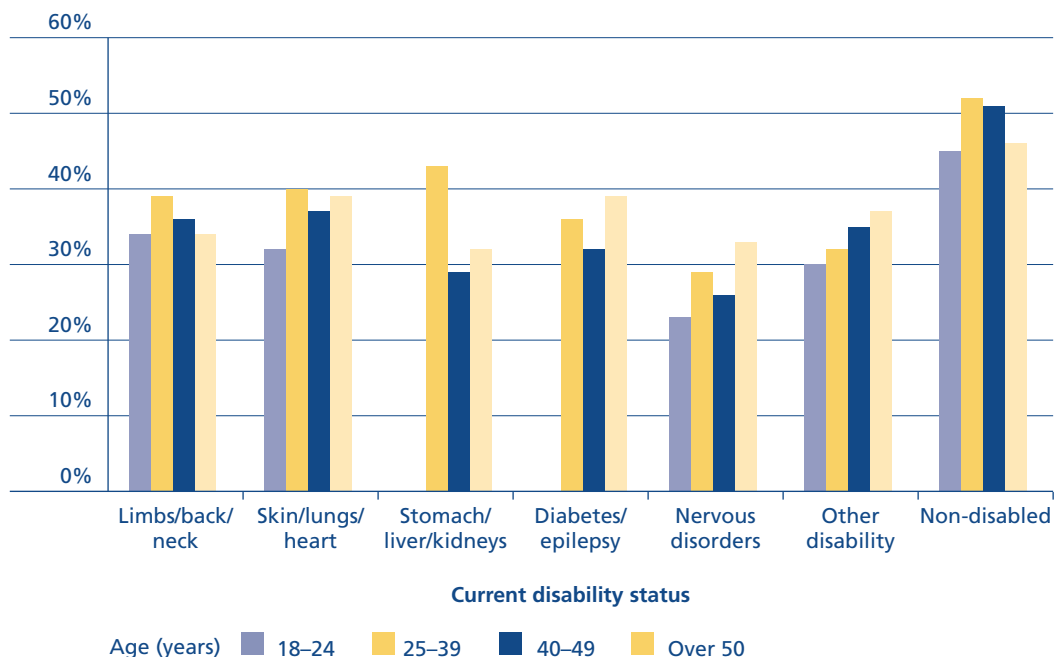
Source: Labour Force Survey, spring 2003.

- Notes:
1. 'Non-disabled' consists of those who report neither a work-limiting disability nor a Disability Discrimination Act disability.
 2. 'Work-limiting disability' means a health problem or disability, expected to last for more than a year, that limits the kind or amount of paid work the person can do.

106. The barriers to education will depend partly on the type of disability. Chart 2.9 shows that disabled people in each impairment group are less likely than their non-disabled counterparts to have an A level or equivalent. This is not only because of barriers to education – the chart includes those who became

disabled after completing their education, and low educational achievement leading to low income or worklessness has been linked to increased chances of poor health and disability⁴¹. However, the pattern holds for all ages, which implies that barriers to education are a large part of the problem.

Chart 2.9: Percentage of working-age people with a qualification equivalent to A level or above by disability type (United Kingdom)



Source: Labour Force Survey, spring 2003.

- Notes:
1. The disabled categories consist of people with a work-limiting disability.
 2. 'Non-disabled' consists of those who report neither a work-limiting disability nor a Disability Discrimination Act disability.
 3. Those with seeing/hearing/speech impairments and learning difficulties are included in the 'other disability' group. 'Limbs' includes impairments to arms, hands, legs or feet. 'Nervous disorders' includes depression, bad nerves, anxiety, mental illness, phobias, panics or other nervous disorders.
 4. For some groups the 18-24 percentage is not shown, owing to small sample size.

107. In some groups, notably people with nervous disorders⁴², there are higher levels of qualifications among people in older age groups. This may be partly because of those in older groups who became disabled after completing their education.
108. It is clear that, whilst raising attainment and improving social outcomes for children will be important to improve their future outcomes, we must also provide tailored help to young disabled people making the often difficult transition to adulthood.
109. We must also ensure that opportunities for lifelong learning are maintained for disabled people.
110. Under Connexions, vulnerable young people will no longer be passed between different professionals without any co-ordination. Central to this is a Connexions personal adviser available to give advice and guidance and help young people identify barriers to learning and find solutions. If necessary, advisers broker access to specialist support services. They work in a range of different settings including schools, colleges, one-stop shops and community centres, and on an outreach basis. The Connexions service also conducts assessments of educational and training needs in year 11 for young people with disabilities who plan to leave school at 16 and go into further education or training.

Young adults

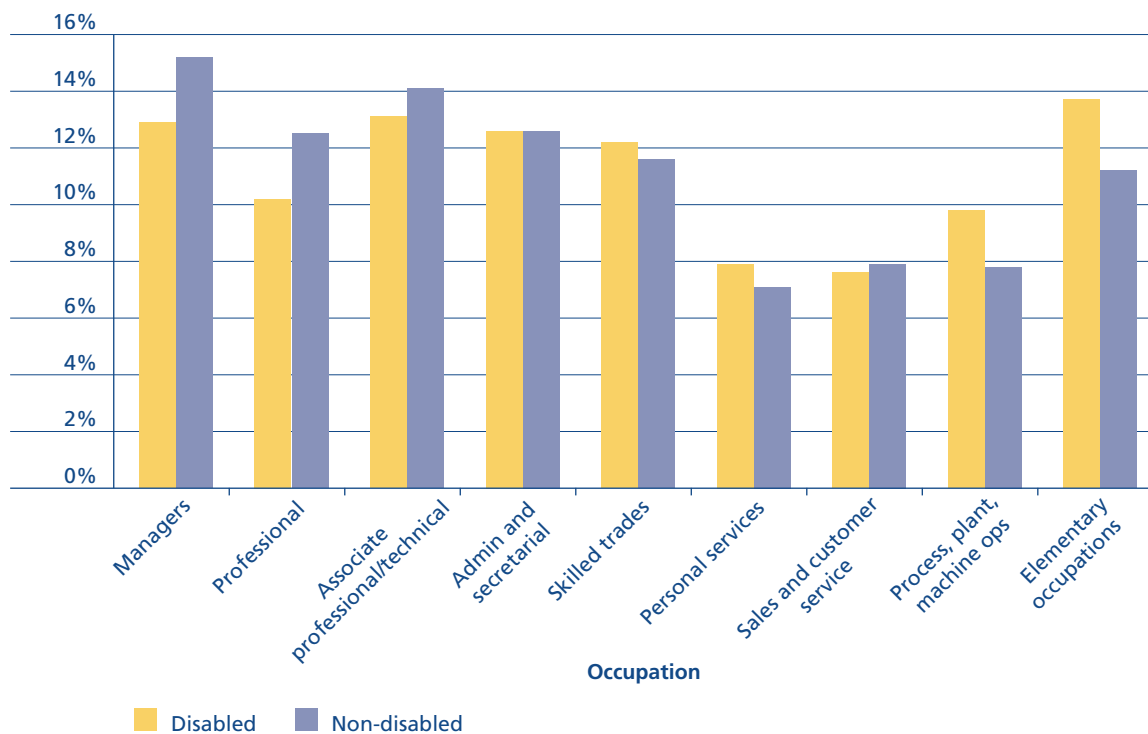
110. The Connexions service provides support to young adults aged 13–19. For young people with disabilities, support may be provided (where necessary) until a person's 25th birthday. Connexions has a particular role to play in making a real difference to the way in which support is given to the most vulnerable young people in our society, including disabled people. This involves bringing together all those organisations and bodies that are delivering services to provide a coherent, holistic, multi-agency package and one that is clearly focused on the needs of the individual.
111. Extending employment opportunities to more disabled people will not just improve their lives – enabling them to use their abilities will also benefit society. Around half of working-age disabled people are already employed, including over 40 per cent of the 5.5 million who report that their disability limits the kind or amount of work that they can do⁴³. And many more are willing and able to work and train. Fifteen per cent of those currently 'economically inactive' say they would like a job, and a further four per cent are unemployed⁴⁴.

Work and disability

113. Those in work tell us that it benefits them financially and, more importantly, that it gives them a feeling of self-worth and independence. Work can also provide a social network that helps prevent social isolation. Many disabled people report that with employer support they are able to have a 'typical working life'⁴⁵. And their employers gain employees who are committed and productive.

114. Whilst some disabled people are limited in their work by their disability, Charts 2.10 and 2.11 confirm that a wide variety of jobs are done by disabled people, and whilst disabled people are a little more likely to work part time, the majority work full time.

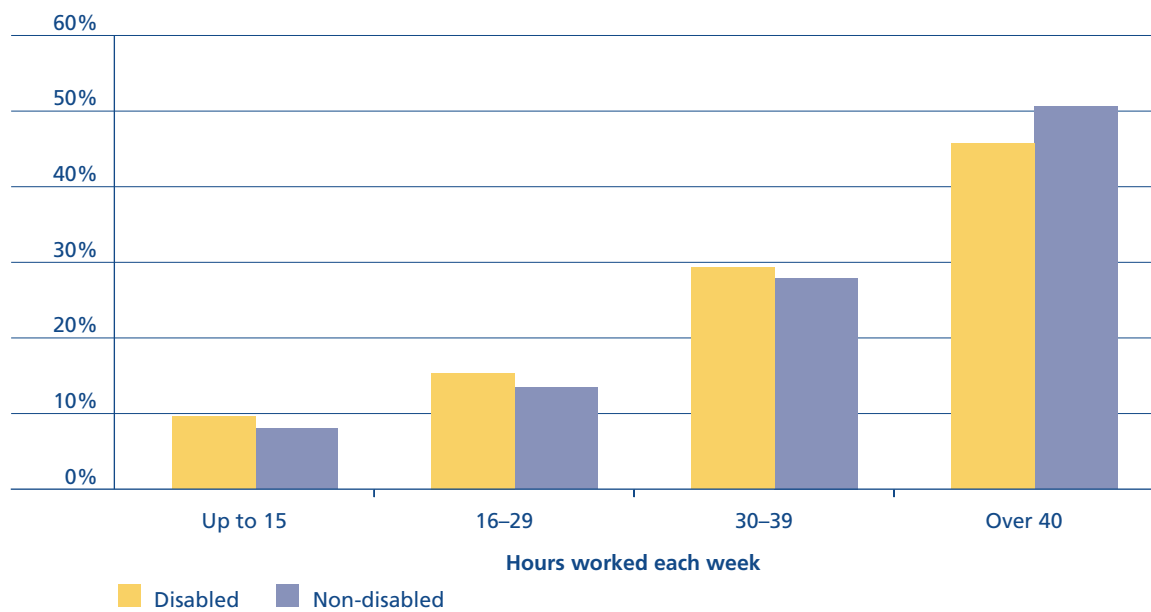
Chart 2.10: Employment by occupational group (United Kingdom)



Source: Labour Force Survey, spring 2003.

- Notes:
1. 'Disabled' consists of those who report either a work-limiting disability or a Disability Discrimination Act disability.
 2. 'Non-disabled' consists of those who report neither a work-limiting disability nor a Disability Discrimination Act disability.

Chart 2.11: Distribution of disabled and non-disabled workers by hours worked (United Kingdom)



Source: Labour Force Survey, spring 2003.

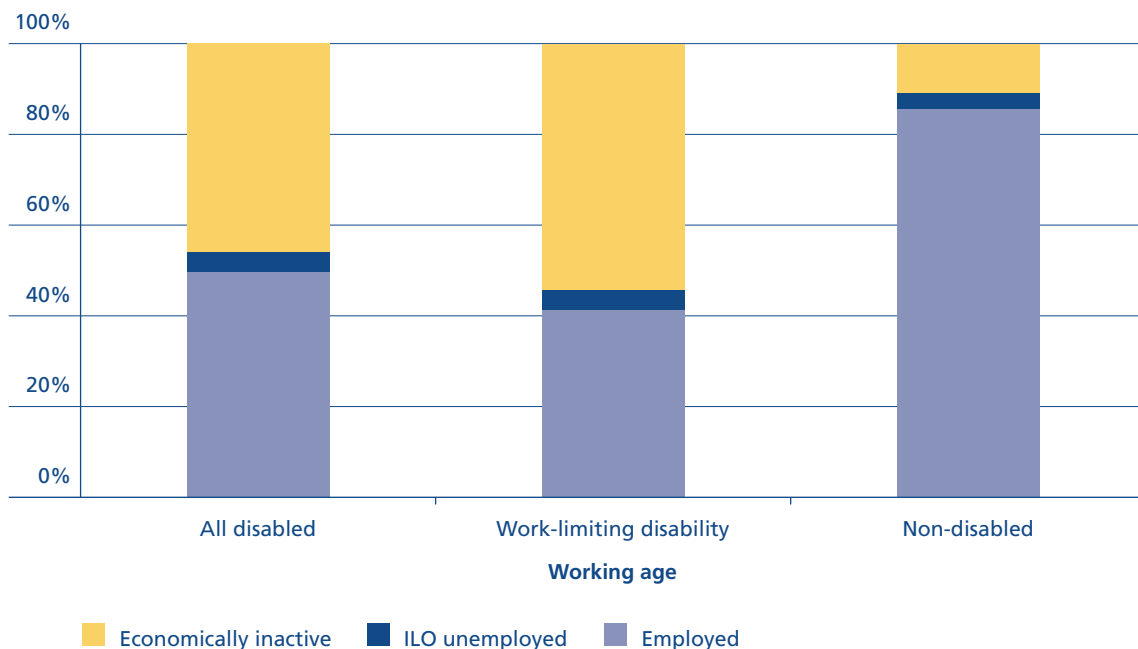
- Notes:
1. 'Disabled' consists of those who report either a work-limiting disability or a Disability Discrimination Act disability.
 2. 'Non-disabled' consists of those who report neither a work-limiting disability nor a Disability Discrimination Act disability.

115. But currently disabled people of working age are around seven times as likely as non-disabled people to be out of work and claiming benefits. Over half of working-age people with a work-limiting disability are inactive compared with 11 per cent of non-disabled people (Chart 2.12).

116. A particular group of interest are those in receipt of incapacity benefits, who by definition are not in work or are working

only a few hours a week. There are 2.8 million people of working age on incapacity-related benefits in Great Britain⁴⁶. Of the million out-of-work disabled people who say they would like a job, well over three-quarters of a million are in receipt of incapacity benefits, and 90 per cent of people moving on to incapacity benefits say they expect to work again. Many do not have severe health conditions or disabilities, so a return to work should be possible⁴⁷.

Chart 2.12: Employment status of working-age people by disability (United Kingdom)



Source: Labour Force Survey, spring 2003.

- Notes:
1. 'All disabled' consists of people with a work-limiting disability or a Disability Discrimination Act disability.
 2. 'Non-disabled' consists of those who report neither a work-limiting disability nor a Disability Discrimination Act disability.
 3. 'ILO' is the International Labour Organization. ILO unemployed includes adults who are under state pension age and not working, but are available and have been actively seeking work in the last four weeks.

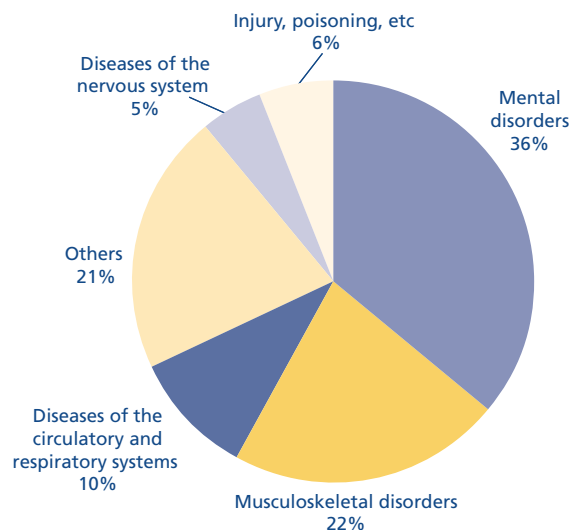
117. In reality, 40 per cent of those moving on to an incapacity benefit are still claiming a year later, and once they have been in receipt of an incapacity benefit for a year, only one in five return to work within five years. The longer a person is out of work, the more likely their skills are to become obsolete, the more their health is likely to decline, the further they move from the labour market, and the harder it will be to make the transition back to work. Conversely, a return to work can enhance well-being and improve long-term recovery for many⁴⁸.

118. Chart 2.13 shows the main conditions reported by those in receipt of incapacity benefits.

119. Although there are many distinctions to be drawn between different groups with disability and ill health, many of the issues involved in gaining work are common to many groups.

120. Disabled people who are out of work may underestimate their own abilities and may lack self-esteem. They may face extra costs in employment, for example if

Chart 2.13: Diagnosis category of those in receipt of incapacity benefits (Great Britain)



Source: Department for Work and Pensions, February 2003.

Note: Diagnosis group is taken from ICD10 published by the World Health Organization.

public transport is inaccessible they may have to take taxis to work. This, together with concerns about possible discrimination, can discourage a disabled person from seeking to join the labour market⁴⁹. And some people, including employers, discriminate against or are prejudiced against disabled people.

121. Disabled people who are looking for work face a higher risk of unemployment than non-disabled people. Of people employed or looking for employment, ten per cent of people with a work-limiting disability are unemployed compared with four per cent of non-disabled people. The rate varies with the type of disability – it is 22 per cent for those with learning difficulties or nervous disorders⁵⁰. Clearly, as with non-disabled people and people with other types of health problem or disability, not all jobs will be suitable for all people with learning difficulties or mental health problems. But disabled people in these groups will be highly suitable for a variety of meaningful and sustainable work.
122. We are tackling these interrelated problems from two angles – creating an active welfare system and strengthening the rights of disabled people.

Active labour market policies

123. We have seen that, for those moving on to incapacity benefits, the number expecting to return to work is much higher than those who actually do return.

124. For some people health issues make a move to work difficult. But there are many other obstacles that can push people away from the labour market. And when the disabled person has other labour market disadvantages this can reinforce the feeling that they will not be able to get a job, or would face discrimination in the workplace if they did find employment.
125. The substantial rise in the number of people on incapacity benefits, especially between 1979 and the mid-1990s, emphasises that this is not just about health. The ageing population is one cause – older people are more likely to have health problems – and as less stigma is attached to ill health and disability, people may be more willing to accept disability benefits. But it is also connected with economic factors such as industrial restructuring, and with administrative changes that made incapacity benefits seem more attractive to some people than unemployment benefit. Historically, no active labour market help was provided to those on incapacity benefits.
126. Some communities have high levels of incapacity benefit recipients. These have often been affected by the restructuring of industry in the 1980s and 1990s and subsequent high unemployment, which meant many drifted away from the labour market and on to incapacity benefits. These areas also have higher than expected levels of incapacity benefit receipt among younger people, despite recent economic improvements.

127. Attitudes are important. We have said that disabled people may have doubts about their own abilities. Traditionally, people receiving unemployment benefit are required to look for work, whilst those on incapacity benefits are not. A medical test is used to decide who is eligible for an incapacity benefit. This may lead to some people feeling that they are not expected to work because they would not be able to do a job. In some cases people worry that if they try to find work they will have their disability payment taken away. However, the reality is that people are eligible for incapacity benefits when their health problem means it is unreasonable to require them to seek work, not when work becomes impossible for them. Different jobs require different abilities, and the degree of employability is determined by many things other than an individual's degree of disability.
128. Many disabled people are in the older age groups. Those between 50 and state pension age are three times as likely to report a disability as those aged 18–24⁵¹. Older people can find it harder to get new jobs than those in younger age groups, and it is especially easy for older disabled people to drift into seeing themselves as retired.
129. All this suggests that encouraging disabled people to apply for jobs and supporting them to find and keep a job can work. Paragraphs 130–136 detail a few of the main programmes.
130. New Deal for Disabled People is our main initiative to support people on incapacity benefits back into work. The aim is to achieve lasting paid employment for disabled people. A network of public, private and voluntary sector Job Brokers across Great Britain provide support and services to individuals who want to work and are in receipt of a disability or health-related benefit.
131. Job Brokers tailor their services to meet the needs of individual customers and work closely with providers of training and other services where the customer needs additional help. Job Brokers work with local employers to identify their needs, match these with their customers' skills, and support the customer in their first six months of employment.
132. Since New Deal for Disabled People began, over 50,000 people have registered with a Job Broker and over 16,500 have found work through the programme.
133. Access to Work helps disabled people move into or stay in jobs by removing barriers to work associated with their disability, and encourages employers to recruit and retain disabled people by offering practical support. It helps towards the additional employment costs resulting from disability, for example help with the costs of travelling to work, adaptations to premises, special equipment or the cost of providing human support in the workplace. The programme helped almost 33,000 people during 2002/03⁵².

134. WORKSTEP enables disabled people who face more complex barriers to work to take up employment, either in supported factories and businesses operating within the programme or in mainstream employment. There are currently around 21,500 supported employees on the programme⁵³.
135. In addition, the Department for Work and Pensions and the Department of Health are jointly running the Job Retention and Rehabilitation Pilots Project. This will offer help to employed and self-employed people at risk of losing their job early owing to ill health or disability. It should provide evidence about what is most effective in helping people retain their employment.

Case study – Sue Venables

Sue is 32, has spinal muscular atrophy, uses a powered wheelchair, needs a ventilator to breathe and requires 24-hour care from her personal assistants.

In May 2002, Sue contacted Viv Hartley, disability employment adviser at Mexborough Jobcentre, for help in becoming self-employed, setting up a wheelchair access website called *Can I Get In?* Sue wanted to put together a directory of accessible businesses so other wheelchair users could look at the list, read about the places and know they could definitely get in.

Viv suggested Work Based Learning for Adults with EMAGO, a local training organisation. When Sue completed her course Viv sent an application for Disabled Person's Tax Credit (now part of Working Tax Credit). Sue also contacted Access To Work who were able to fund specialist equipment and a support worker.

136. Those in receipt of incapacity benefits already attend work-focused interviews, though these are infrequent (up to three years apart). From October 2003 we will be piloting a new approach in seven areas⁵⁴, providing:
- early, frequent support to those on incapacity benefits from skilled personal advisers. From day one these advisers will be able to offer clients a wide range of opportunities to meet their needs;
 - direct access to a range of comprehensive specialist programmes, including joint programmes with the National Health Service (NHS) to mitigate the impact of health on a return to work. These joint programmes will combine support to find jobs from Jobcentre Plus personal advisers with health-focused rehabilitation delivered in collaboration with the NHS. The key focus of these short programmes will be to help

those with conditions such as depression, back pain and heart disease to understand the impact that their condition has and to increase their confidence to work or train and lead as normal a life as possible;

- clear financial incentives to work. We will establish a simple Return to Work Credit to help all those moving off an incapacity benefit and into employment, paid at £40 a week for 52 weeks where annual earnings will be less than £15,000. Advisers will also be able to make discretionary awards of up to £300 to clients for clothes or equipment that could help improve their chances of getting a job; and
- for all those who have to move to Jobseeker's Allowance from Incapacity Benefit, access to an adviser with specialist skills in drawing up appropriate jobseeking goals. They will be automatically referred to the tailored help available through the relevant New Deal without having to wait for up to 18 months.

137. Our aim is to create a better framework of support for people in the early stages of their claim for incapacity benefits to ensure the focus is on what people can do. We need to help people realise expectations of a return to work and provide ongoing support. We will build on the current framework of support, but have shaped new requirements in the light of research into work-focused interviews for this group.

138. Some disabled people who do not feel ready to enter the labour market full time may be in a position to begin preparing themselves for full-time work. This may be through training, work experience or part-time (perhaps voluntary) work. To assist these people we have increased the earnings disregard on income-related benefits and introduced permitted work rules. These measures allow people (subject to earnings and time limits) to work as part of a treatment programme or supported work⁵⁵, or to work for fewer than 16 hours a week, while still being treated as not capable of work for the purposes of incapacity benefits. We have also introduced new linking rules on incapacity benefits so people can try work, knowing they can return to the same benefit if necessary. Of approximately 400,000 disabled people who get a job each year, about a third did not say they wanted a job a year earlier.

139. This sort of flexibility may be particularly important for those whose disability is short term or intermittent, as it will allow them to keep in touch with the labour market and work when they are able. These people form a significant part of the disabled population. One study found that of those reporting a limiting disability in a given year, only three-quarters were in a long spell of limiting disability (not including those with a recurrent condition). Just one in ten people with mental health problems were still disabled six years after the onset, though many more had repeat spells⁵⁶.

140. And of course disabled people are entitled to the general help that is available to all out-of-work people. They can choose to have early access to any New Deals that they are eligible for. And policies such as the Job Grant, Action Teams for Jobs, and the Working Tax Credit (which includes extra help for disabled workers), although not specific to disabled people, are relevant to some of the issues that disabled people may face (see Chapter one).

141. These policies, together with in-work disability benefits, help to ensure that disabled people are more likely to be financially better off in work, and that those who are out of work will have a visible incentive to start work. They also emphasise that many disabled people are employed and many more have the potential to work.

Rights and attitudes

142. Many disabled people are concerned that employers will discriminate against them, and this may discourage them from seeking a job whether or not those concerns are justified. The attitude of other people to disability is often reported as a major barrier to disabled people seeking work⁵⁷. And there may be other barriers for those who are working. Employers may be reluctant to make

adaptations to enable disabled people to contribute to the best of their ability. They may also give them less stretching tasks or lower grade work, and the issue of prejudice in promotion is an issue in the same way as prejudice in hiring.

143. People who are also members of other disadvantaged groups often felt that they had faced compounded disadvantage, as employers discriminated against them on grounds of disability and their ethnicity, age, gender or sexuality⁵⁸.

144. The Disability Discrimination Act includes specific provision to protect disabled people from discrimination in the field of employment. In fact, more than half of the Disability Discrimination Act related telephone calls received by the Disability Rights Commission helpline are about employment⁵⁹.

145. As with other aspects of disabled rights, the law must work in parallel with raising awareness and understanding. Even well-meaning people can present barriers through ignorance – for example, offering guaranteed interviews to disabled applicants may not be sufficient without support (such as an interpreter or easy-to-read application forms) that will enable disabled people to take up this opportunity.

146. The best employers fully recognise that people with managed health conditions and disabilities can and do make a major contribution to their businesses. Such employers ensure they have procedures to retain employees who fall ill or become injured, and have occupational health expertise available to them. They ensure their recruitment processes are free of discrimination, and use the Access to Work programme to help offset any additional employment costs. Many belong to the Employers Forum for Disability, which has produced guidance material on the business case for employing disabled people as it affects retention, recruitment and ongoing employment, and in relation to different disabilities and conditions.

147. Employers in some sectors such as call centres are operating collective recruitment schemes aimed specifically at attracting disabled people.

148. Our **indicator of progress** on the employment rates of disadvantaged groups shows that, since 1998, the employment rate for disabled people has increased by 5.6 percentage points, whilst the overall employment rate rose by 1.6 percentage points. The policies we have described should contribute to further improvements in this indicator.

Support for those who are not working

149. We recognise that some disabled people will not be in a position to work. Our earlier section on financial and social services support covers some of the

support available to some disabled people both in and out of work. We also introduced the Disability Income Guarantee in April 2001 through the enhanced disability premium. This is payable in the income-related benefits to the most severely disabled people aged under 60 on the lowest incomes, in addition to the disability premium. It is helping around 133,000 of the poorest severely disabled people aged under 60, currently ensuring an income of at least £146.55 a week for a single person aged 25 or over, £192.45 a week for a couple, and an extra £16.60 a week for each disabled child.

Older people

150. The likelihood of a person having a disability increases with age. Only 10 per cent of those aged 16–44 report a limiting longstanding illness, disability or infirmity compared with 41 per cent of those aged over 65. Within this, some types of disability are more likely to appear in later life than others. Diseases of the musculoskeletal system are nearly five times as common among people aged over 65 as among 16–44-year-olds, but for disorders of the nervous system the difference is only 1.7 times⁶⁰.

151. Those who suffered disadvantage earlier in life may not have had the opportunity to build up pensions and savings, and we have seen that a disability increases the likelihood of labour market disadvantage. Also, older people with a disability may require more assistance than their non-disabled peers.

152. The need for extra financial support was discussed earlier in this chapter. We also provide help so that people can continue living in their own homes. One of our **indicators of progress** shows that between 1998/99 and 2001/02 the percentage of older households receiving intensive home care increased by over a quarter.

Friends, family and carers

153. The impact of a disability can go beyond the disabled person. Statistics show that, compared with a household with no disabled members, a household with at least one disabled adult is 50 per cent more likely to have a low income, and one with a disabled child is 20 per cent more likely⁶¹. A household with a disabled child and a disabled adult is twice as likely to have a low income. These figures cover income only, so the total will include disability benefits but there is no deduction for any extra disability-related costs. (Extra disability-related costs can take many forms, for example equipment such as screen readers for computers, or higher costs for such things as heating, diet or laundry as a result of a disability.)

154. The increased risk of low income is related to the higher rate of worklessness among households with a disabled member. This in turn is related to the need of some disabled people for extra care, as well as the lower employment rate among disabled people.

155. We have mentioned some of the increases in benefits and tax credits, in particular those relating to disabled children.

156. Overall, 5.2 million people in England and Wales provide unpaid care for a friend or relative, of which 1.6 million also have a full-time job⁶². The challenges of caring for a disabled adult or child can put a strain on family life.

157. Our emphasis is on helping the family as a whole. A substantial package of measures to help more than 300,000 carers has been implemented as part of the National Strategy for Carers. Over £500 million is being spent providing extra support for carers in the first three years of implementation. Changes include increases in the carer premium in income-related benefits, and changes to the Carer's Allowance (increasing the earnings limit, removing the upper age limit on claims, and allowing the entitlement to continue for up to eight weeks after the death of the disabled person).

158. Many local councils spend large sums on carers – for example on breaks services, which give carers a break from caring of a few hours or a few days. In 2003/04 we will provide a further £100 million through the Carers Grant to help councils support carers in England. This will enable them to provide carers with a wider range of services.

Childcare

159. The need for childcare can be a barrier for any parent considering work, but where a child is disabled it may be harder to find suitable childcare, or childcare may be so expensive there is little financial incentive to work. This is clearly a particular problem for lone parents of a disabled child, or where both parents are working.
160. We are working with our partner organisations to ensure that children with disabilities and/or special needs benefit from the continued expansion of childcare. Local authorities have been provided with more resources, and clearer guidance on the effective approaches to creating inclusive childcare provision. We have also extended the childcare element of the Working Tax Credit to those who use approved childcare in their own homes, which will be of particular benefit to parents with disabled children (among others).
161. We will be using the Early Support Pilot Programme to model innovative and good practice approaches. It will fund demonstration projects that seek to improve the early identification, intervention, co-ordination and effectiveness of services for very young disabled children.

Young carers

162. When the carer is a child or young adult there are specific issues to consider. It is estimated that 150,000 people aged under 18 provide unpaid care to someone with a disability or health problem, and 24,000 of these provide 20 or more hours of care a week⁶³.
163. These young carers are at risk of social exclusion in the short term, as they may have less free time to socialise and to take part in activities. Without support, their education may also suffer, either because they have less time to concentrate on homework or in some cases because their attendance at school is limited by the need to provide care.
164. We have said that young carers should not be expected to carry inappropriate levels of caring which have an adverse impact on their development and life chances. That is why we have prioritised services for young carers through our Quality Protects programme to improve children's social services, and the National Strategy for Carers, *Caring about Carers*⁶⁴.
165. *Social Inclusion: Pupil Support guidance on pupil attendance* includes guidance on supporting young carers and suggests ways of linking to social services and local voluntary organisations⁶⁵. It requires councils to identify children with additional family burdens and to provide services that are geared up to ensure these children's education and general development do not suffer. And young carers' needs are specifically highlighted in the *Framework for the Assessment of Children in Need and their Families* – Government statutory guidance for social services⁶⁶.

166. The Connexions service will particularly benefit vulnerable young people such as young carers. And 20 per cent of the Carers Grant is earmarked for children's services. In addition, we are supporting several specific projects, such as the development of over 100 young carer projects where young carers can go for advice, information and support, or leisure.

Other issues

167. Some disabled people face particular issues because of the interaction of their disability with other characteristics.
168. Disabled people whose first language is not English may face particular barriers to services for disabled people. Information for disabled people may be available only in English, and it may use difficult technical or medical terms. But many documents, such as benefits leaflets, are now available in several languages.
169. Evidence suggests that different ethnic groups have different attitudes to disability, and that the perceived stigma of disability is stronger in some communities. There can also be cultural barriers to accessing services for disabled people. For example, some people may prefer to attend groups restricted to their own sex or own cultural group, and there may not be a suitable support group in their area. Or there may be resistance to help from outside the family or

community. These issues can increase the risk of social exclusion, and possibly lead to an increased likelihood of a disabled person being looked after within the home rather than encouraged to become independent⁶⁷.

170. Disability organisations are often crucial in informing people of existing services and helping and encouraging disabled people to access them. This may be of particular benefit for those facing specific barriers to accessing services. We support work to help minority groups with disabilities – for example through the European Year of Disabled People project grant scheme, which combines money from the UK Government with money from the European Commission. This supports a wide range of projects, for example the Asian People with Disabilities Alliance's publication *A Booklet to Raise Awareness of Asian Disability within the Asian Community*.

For the future

171. Statistics show that, since the 1970s, an increasing proportion of people report a health problem or disability – for example the proportion of people who report they have a longstanding limiting illness, disability or infirmity has increased from 15 per cent in 1972 to 19 per cent in 2001. But more abstract health indicators, such as mortality rates, show an improvement in health. This suggests that part of the change may be due to

increased expectations of health, or the lessening of the stigma attached to disability encouraging people to report it (though better survival rates may also contribute)⁶⁸. We have seen that many disabled people are in work, and this proportion is increasing.

172. We will continue to work to ensure disabled people are given the rights and opportunities necessary to participate fully in society, including work for those who can, security for those who can't, and support and encouragement for those moving towards work. For example we will publish a draft Disability Bill during 2003, and we will undertake activities to raise public understanding of disability and the rights of disabled people.
173. In October 2004 we will extend the duties to protect against discrimination against disabled employees and jobseekers to small employers and to most currently exempt groups such as police officers and firefighters. This means an extra 7 million jobs will be brought within the scope of the Disability Discrimination Act. In the same month the final access duties under Part 3 of the Disability Discrimination Act will come into force. This means that, where a physical feature makes it impossible or unreasonably difficult for disabled people to make use of a service, the service provider will have to take reasonable steps to remove, alter, or provide a reasonable means of avoiding, the feature.
174. We are also developing a Special Educational Needs Action Programme that will set out our long-term vision for Special Educational Needs. The programme will also contain a range of practical measures to support early education settings, schools and local education authorities in improving educational outcomes for children with Special Educational Needs and disabilities. These will include measures to promote earlier intervention and stronger links between special and mainstream schools.
175. We have also produced the consultation document *Pathways to work*⁶⁹, which sets out its proposals for supporting people in receipt of incapacity benefits. This work is continuing.
176. The Department for Work and Pensions will continue to modernise the benefits system. This should result in significant improvements in the speed and accuracy with which disability benefits and carers' benefits are paid.
177. The Social Exclusion Unit mental health project is looking at the issue of mental health and social exclusion – including gaining employment or retaining current employment, as well as increasing social participation and access to services. It will produce its recommendations in 2004.

178. We must also address attitudes to disability. The action we have taken to challenge prejudice, for example through media campaigns, has been welcomed. Disability organisations also have an important role to play and we are engaging with them to work towards a better understanding of disability and the rights of disabled people.
179. Whilst discrimination remains a barrier to equal rights for disabled people, attitudes are improving, and most people believe that the position of disabled people is better than in the past⁷⁰.

People from ethnic minority backgrounds

Introduction

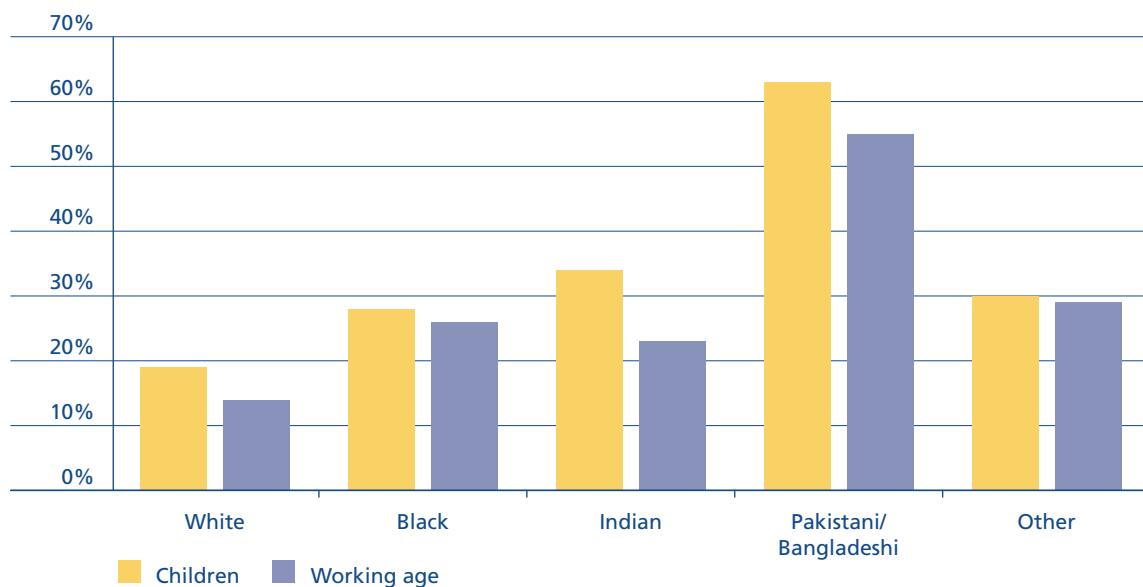
180. 'Ethnic minorities' is a term used to cover a diverse range of people. Individuals' needs and aspirations within these groups vary according to age, gender, ethnicity, faith and background. Using the commonly agreed definition, around 1 in 12 people in the UK are from ethnic minorities⁷¹.
181. The achievement of some ethnic minority groups matches or exceeds that of their White counterparts⁷². For instance those of Indian and Chinese origin, on average, outperform Whites in education. But some stark differences still remain.
- Despite performing better than Whites in terms of education, Indians still have a lower employment rate.
 - Twice as many Pakistani and Bangladeshi women have no educational qualifications compared with the national average for women.
 - Chart 2.14 shows that nearly six out of ten working-age adults from Pakistani and Bangladeshi backgrounds are in low-income households – roughly three times the average rate for all people of working age.

- In England, 67 per cent of the ethnic minority population live in the 88 most deprived local authority districts, compared with 37 per cent of the White population⁷³. This inevitably has implications for wider community cohesion.

182. These facts serve as salient background for the purpose of the following analysis. Such relative disadvantages can lead to a high risk of poverty and social exclusion that differs by ethnic minority group. We need to expose and understand these risks and barriers to opportunity if we are to be successful in our overall strategy for tackling poverty and social exclusion.

183. Firstly, this analysis aims to bring together evidence of ethnic minority issues and our strategy for addressing the associated inequalities of opportunity. The analysis is organised around key public services and the labour market. People of ethnic minority origin are, in significant proportions, both users and actual employees in the public services. Yet evidence suggests that the ethnic minority population have less confidence in public services than their White counterparts and that some ethnic minority groups do not have the same access to public services as other groups⁷⁴. There are thus potential gains to be made in efforts to improve public services by ensuring delivery of improvements in race equality across these services.

Chart 2.14: Percentage of people in low-income households by ethnicity (Great Britain)



Source: Households Below Average Income, 1994/5–2001/02, Department for Work and Pensions.
 Note: Low-income threshold – 60 per cent median equivalised household disposable income after housing costs.

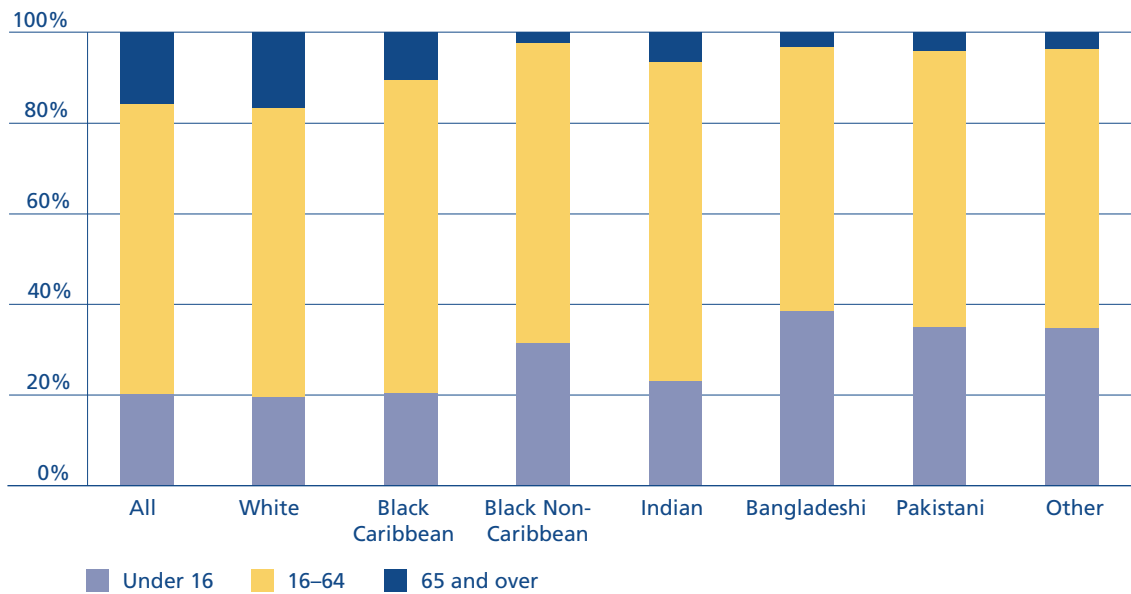
184. So the analysis begins by focusing on the education system as our first opportunity to tackle inequalities in attainment. This links, through qualifications and earnings potential, to the following analysis on labour market issues. Work is the best route out of poverty for those who can work, but it is important to acknowledge the ethnic dimension in this debate.
185. The rest of the analysis then moves on to address inequalities in wider service provision, and the importance of community cohesion, through neighbourhood renewal, health, housing and justice.
186. As the analysis progresses, what becomes clear is that not all of the problems highlighted lead to obvious or workable solutions. Not least this is because although certain problems are highly associated with ethnicity, it is not clear that they are the consequence of ethnicity. This is a crucial distinction to bear in mind – eventual conclusions from this analysis will have implications for our policies.

187. Therefore the second purpose of this analysis is to promote debate and feedback on our overall strategy and its consequences for ethnic minorities. Our understanding of this area is developing all of the time. We would welcome your views.

Tackling educational disadvantage

188. Overall, as Chart 2.15 shows, people in ethnic minority communities tend to be younger than the White population. The 2001 Census has shown that nearly one in eight pupils come from an ethnic minority background. By 2010, the proportion is expected to be around one in five. For all children, school achievement will be a key determinant of their success in later life. It will affect whether they go to university, whether they get a good job and the contribution they make to society. And, as Chapter one has shown, educational achievement can play an important part in helping people escape poverty.

Chart 2.15: Distribution of ethnic minority groups by age (United Kingdom)



Source: 2001 Census data.

189. This is why it is so worrying that many ethnic minority young people underachieve. The Pupil Level Annual School Census 2003 has given us the first accurate picture of the performance of young people from different backgrounds⁷⁵. Students from Chinese and Indian backgrounds achieve significantly above average results. But the picture for other ethnic minority groups is very different. Black pupils and those from Pakistani and Bangladeshi backgrounds achieve poorer GCSE results than other groups.

190. Some of the differences may be explained by the fact that ethnic minority pupils more often live in disadvantaged areas. Most pupils from ethnic minority backgrounds live in and around the big cities – 75 per cent attend schools in a third of local authorities and 40 per cent attend schools in London, which has just 16 per cent of the population of England.

191. Research also suggests that social class is a strong influence on ethnic minority attainment⁷⁶. But it also shows us that the impact differs for different ethnic groups: the correlation between class indicators and attainment is not as strong for Black Caribbean and Black African pupils as for White ethnic groups⁷⁷.
192. However, individual school and local authority data show a more complex picture. In some areas, bilingual groups are among the highest-performing groups. But other smaller minority groups, such as Turkish and Portuguese pupils, tend to underachieve throughout school.
193. Gender also has a significant impact. In most cases girls outperform boys of the same background at all key stages. Furthermore, whilst most ethnic minority pupils live in ethnically diverse urban areas, many live in areas of the country where the population is predominantly White. We should not overlook the problems that such isolation can create. Research shows that teachers in schools with few ethnic minority pupils can be less confident in preparing their pupils for life in Britain's diverse society⁷⁸.
194. Pupils from some ethnic minority backgrounds may find themselves facing other barriers. Twenty-eight per cent of Black Caribbean secondary school pupils were recorded as having Special Educational Needs, 23 per cent of Pakistani pupils and 23 per cent of Bangladeshi pupils compared with 18 per cent of White pupils. Schools are also up to four times more likely to permanently exclude Black Caribbean pupils, increasing the chances that they will be disengaged from education in the longer term.
195. In addition, the Office for Standards in Education has shown that traveller children (mostly Gypsy, Roma or Travellers of Irish Heritage) have the lowest results of any ethnic minority group and are the group most at risk in the education system⁷⁹. The fact that they tend to attend school intermittently clearly contributes to this. They are also more likely to be excluded from school than most other pupils.

Laying the foundations

196. So it is clear that the gap between where we are and where we want to be is significant. But the best schools have shown that it can be closed⁸⁰. We can and will give a clear lead by ensuring that national policies and programmes address the needs of all pupils. We have already put in place two important levers that we believe will provide schools with a firm basis upon which to move forward.

Case study – Sudbourne Primary School, Lambeth

At Sudbourne Primary School, about half the children are of ethnic minority heritage. The school has 370 pupils, of whom the percentage eligible for free school meals (38.4 per cent) is above the national average. The percentage of pupils with English as an additional language (27.7 per cent) is very high. The percentage of pupils with special educational needs is also high, above the national average.

And yet attainment at Sudbourne Primary School, as shown in National Curriculum assessments, has been consistently high for many years. The number of Black Caribbean pupils attending the school has always been significant and they have shared in the success achieved by the school. In the 1999 Key Stage 2 tests, 27 per cent of the cohort were Black Caribbean and their level of attainment was well above the national average.

And unlike the average picture, the attainment of boys was better than that of girls. No boys achieved less than Level 4 and the percentage of Black Caribbean boys achieving Level 5 was well above the national average. The attainment of girls, although not as high as that of boys, was also above the national average. In total, no Black pupil achieved less than Level 3 in any subject.

Data collection

197. The new Pupil Level Annual School Census means that it will be possible for the first time ever to monitor the achievement of ethnic minority pupils locally and nationally in a consistent way⁸¹. It will also provide a straightforward means of identifying schools with high levels of pupil mobility, and will track traveller children.
198. This represents a huge step forward. We are committed to publishing the Census data. This will give schools and local and central government a much clearer picture of the relative performance of particular groups of pupils. It will enable school leadership teams and policy makers to get answers to questions about which groups are doing well and which are doing less well. As a result we can focus energy and resources where they are needed most. Above all, it will improve accountability – success or failure will be clear for all to see.

The Law

199. The Race Relations (Amendment) Act has important implications for the work of schools and other educational institutions. The legislation requires schools to:
- prepare a written statement of the school's policy for promoting race equality, and to act upon it;
 - assess the impact of school policies on pupils, staff and parents of different racial groups, including, in particular, the impact on the attainment levels of these pupils;

- monitor the operation of all the school's policies, including, in particular, their impact on the attainment levels of pupils from different racial groups; and
- take reasonable steps to make available the results of its monitoring.

200. This is a powerful tool that can be used to raise ethnic minority achievement. By monitoring the outcomes of their policies on ethnic minority pupils, schools are better able to identify and remove any unintended barriers to the achievement of ethnic minority pupils.

201. To support schools, the Department for Education and Skills has worked with the Commission for Racial Equality to:

- produce a *Statutory Code of Practice* to give practical advice on how to meet the duties;
- produce a *Guide for Schools* to help governing bodies, parents, pupils and others with an interest, to understand what they can expect from schools and what schools might expect from them; and
- develop a database of good practice, which will be made available on the internet.

202. The Act has teeth. The Commission for Racial Equality can enforce the specific duties by issuing a compliance notice. Failure to comply could result in legal action. Ofsted will inspect schools' compliance with the Act as part of its regular inspections. The new inspection

framework places a strong emphasis on race equality and the need for schools to plan action to narrow achievement gaps, whatever the composition of the community they serve. Ofsted's guidance on evaluating educational inclusion sets out for schools what it means to be an inclusive school and gives schools a valuable tool for monitoring and evaluating their practice. In addition, Ofsted undertakes a thematic review to assess schools' progress towards meeting the requirements of the Act and to identify good practice.

How schools can tackle underachievement

203. Schools and teachers want to see all their pupils succeed. We recognise that this can be particularly challenging in schools with a diverse intake, particularly where high pupil mobility is a fact of life. However, underachievement is not inevitable. Many schools are raising the achievement of their ethnic minority pupils. Research has shown that schools that achieve successful outcomes for their ethnic minority pupils are characterised by certain principles⁸².

- Strong leadership – the headteacher and senior teachers lead an effective strategy that is applied across the whole school.
- Effective teaching and learning – lessons are planned and delivered as effectively as possible, with support provided for bilingual pupils. And teachers are able to reflect in their lessons the cultures and identities of the communities represented in the school.

- High expectations – every pupil is expected and encouraged to achieve their potential by teachers and parents. These expectations are underpinned by the practical use of data and monitoring. Policies and exam results are monitored for their effect on particular groups of pupils to pinpoint and tackle underperformance.
- An ethos of respect – there is a strong ethos and culture of mutual respect where pupils are able to have their voices heard. There are clear and consistent approaches to bad behaviour, bullying and tackling racism across the whole school with a focus on prevention.
- Parental involvement – parents and the wider community are positively encouraged to play a full part in the life and development of the school.

204. It is vital that such best practice is widely adopted. Chapter one has shown how early relative disadvantage can feed through to adulthood, as attainment in education is such a powerful predictor of labour market outcomes.

Tackling labour market disadvantage

205. We recognise that in order to tackle the causes of inequality for ethnic minority groups, work needs to be joined up across government. In March 2003, the Strategy Unit's *Ethnic Minorities in the Labour Market: Final Report* was published⁸³.

206. The report makes 28 recommendations to tackle the barriers faced by ethnic minorities in the labour market. These include efforts needed to build employability, connecting people with work more effectively and ensuring that there are equal opportunities for all in the workplace.

Ethnic Minority Employment Task Force

207. To deliver on these recommendations, a new Ethnic Minority Employment Task Force will work alongside:

- the Department for Education and Skills, to drive up attainment at school and in further and higher education;
- the Department of Trade and Industry, on employment rights and employer discrimination, on promoting the business case for a diverse workforce and for improving recruitment and promotion practices;
- the Home Office and the Commission for Racial Equality, who lead on tackling racism and community cohesion; and
- the Office of the Deputy Prime Minister on the Housing and Employment Mobility Service, to ensure that ethnic minority Registered Social Landlords are included in the scheme.

208. The Minister for Work has been given the task of heading this task force, in recognition of the role that the labour market can play in tackling poverty and social exclusion for everyone. We will not achieve a fairer society and opportunity for all while some people suffer disproportionate levels of poverty and worklessness related to their ethnicity.

209. There is no doubt that this is still the case. Ethnic minority people are substantially over-represented both among the economically inactive and the unemployed. In total, in Great Britain there are about 240,000 ethnic minority individuals unemployed and 960,000 economically inactive (as of spring 2003)⁸⁴.

210. These overall figures also mask stark inequality for certain ethnic minority groups and genders within them. For example, Bangladeshi groups have an employment rate of 38 per cent and for women within this group the rate is as low as 19 per cent⁸⁵. This compares with an overall employment rate for Whites in the UK of around 76 per cent, or 72 per cent for women only. Many Asian groups are characterised by low participation rates among women, something that is reversed in the case of the Black Caribbean population.

211. The unemployment rates for ethnic minority males are up to three times higher than those for Whites, with particularly high rates for Bangladeshis and Black Africans. And for men from all

ethnic minority groups, unemployment is much higher among young people aged under 25 than among older people. For example, in 2001/02 over 40 per cent of young Bangladeshi men were unemployed⁸⁶.

212. Our **indicator of progress** monitors the employment rate of ethnic minority people and the gap between this rate and the overall rate. So far, progress has been slow. The employment rate of ethnic minority people increased from 57.3 per cent in 1998 to 58.3 per cent in 2003. But we have yet to make progress in reducing the employment rate gap. We are therefore increasing our efforts for 2004.

Closing the employment gap

213. We have set a Public Service Agreement (PSA) target to increase the ethnic minority employment rate and close the inequality gap with the rest of the population. In order to achieve this, we need to understand the reasons why ethnic minority people do not have an equal chance of employment. Many complex factors relate to ethnic minority disadvantage in the labour market, but there is a broad consensus that three interrelated factors are significant⁸⁷.

- Human capital – most (but not all) ethnic minority groups have lower average levels of education than the White population, which is likely to lead to lower levels of employment and lower pay for those in work⁸⁸.

- Geography – 67 per cent of the ethnic minority population of England live in its 88 most deprived local authority districts, compared with 37 per cent of the White population⁸⁹.
- Discrimination – there is considerable evidence that people from ethnic minority backgrounds are discriminated against in seeking employment⁹⁰.

214. The implications for our policies for improving employment opportunities for people from ethnic minority backgrounds are clear. We need to focus our efforts on improving access to education and training, improving the help available in disadvantaged areas, and tackling discrimination by helping employers to open up employment opportunities to all.

The active role of Jobcentre Plus

215. Since 1998, Jobcentre Plus mainstream services have delivered help to jobless ethnic minority people mainly through New Deals and other mainstream services. For example, since their introduction, New Deals have helped over 78,000 people from ethnic minority communities into work.
216. However, we have begun to target more effectively the areas of disadvantage where the greater proportion of ethnic minority people live. We are moving away from the 'one size fits all' approach that does not always work for different communities.

217. Action Teams for Jobs and Employment Zones use flexible funding in innovative ways – for example by helping people to obtain a driving licence to widen their appeal to employers. Together, these schemes have helped around 25,000 ethnic minority people into jobs. In addition, an outreach service was introduced in April 2002 in the five conurbations where most people from ethnic minority groups live. This is run by organisations with close links to those local ethnic minority communities that are furthest from the labour market. These initiatives are testing out new approaches – for example engagement with employers to promote the advantages of recruiting a diverse workforce to reflect the local community.

218. The Jobcentre Plus target structure has changed too, leading to better geographic targeting of Jobcentre Plus resources to those areas with high unemployment and large ethnic minority populations. Jobcentre Plus staff in those areas are now looking at new ways in which their service can reach all parts of the community. They are also using the well-established links that Jobcentres have with employers, helping them in developing diversity and equal opportunities policies and promoting the business value of a diverse workforce. Jobcentre Plus is pulling all of this work together into a comprehensive action plan and strategy to improve its performance for ethnic minorities and to meet its obligations under the Race Relations (Amendment) Act.

219. Furthermore, new proposals were announced in Budget 2003 to provide extra support to help people from ethnic minorities. A new £8 million flexible pot of money will be made available for Jobcentre Plus district managers to use innovatively – for example to fund projects to address the wider barriers (such as substance misuse and gang culture) that prevent ethnic minority clients in some areas from getting and keeping jobs. Funding is also provided for a number of specialist account managers to work with employers in the five areas where most ethnic minority people live. These are two examples that will add to Jobcentre Plus's stock of measures to deliver its improved services for ethnic minorities.

Tackling health inequalities

220. Indian, African-Asian and Chinese people have similar levels of self-reported health problems as White people. But people from Pakistani and Bangladeshi communities are one-and-a-half times as likely to suffer ill health, and African-Caribbean people are a third as likely⁹¹. One stark indicator of this inequality is that infant mortality is 100 per cent higher for children of African-Caribbean and Pakistani mothers, compared with White mothers⁹².

221. Some ethnic minority groups are also at much greater risk of suffering specific conditions or diseases than White people. For example, Pakistani and Bangladeshi people are more than five times as likely

to be diagnosed with diabetes than White people, and African-Asian, Indian and African-Caribbean people are three times as likely. Pakistani and Bangladeshi people are also more likely to suffer coronary heart disease than other groups – 50 per cent more likely than Whites. Similarly, African-Caribbean women have higher rates of diagnosed hypertension than others – 80 per cent more likely than Whites⁹³.

222. Whilst much of this variation is due to differences in socio-economic status, there is evidence that health services do not always reach people from ethnic minority communities or meet their needs⁹⁴. For example, sexual health services are frequently not designed in a way that would reach specific ethnic minority groups⁹⁵. Cultural and religious considerations may mean that female patients from some ethnic minority groups do not want to be treated by male doctors. And there is evidence that language barriers impact on primary care services. A third of Chinese people do not understand the language used by their doctors and a large proportion of South Asian people have difficulty accessing a GP who shares a language with them⁹⁶.

223. Among African-Caribbean people, especially young men, the rates of diagnosis of psychotic illness are high relative to the White population. The same holds for admissions to hospital under the Mental Health Act, treatment by physical rather than talking therapies,

and admission to secure services. African-Caribbeans are also more likely to be referred to mental health services by the criminal justice system than by GPs or social care services⁹⁷. Evidence suggests that services are not adequately meeting the mental health needs of people from ethnic minority communities and that these people lack confidence in mental health services⁹⁸.

224. Our overall strategy to improve the nation's health (Chapter one) by concentrating on the major threats (such as heart disease) should have a positive effect on ethnic minority health. In addition, there are specific actions to help reduce inequality, such as the National Service Framework on mental health, and the provision of appropriate training materials for those who care for older people from ethnic minority communities. The framework for a National Strategy for Neighbourhood Renewal builds on this by recommending the setting of minimum targets and working closely with the community and other service providers in deprived areas.

Improving ethnic minority health

225. Raising standards across the board, and particularly with respect to coronary heart disease and mental illness, should have a positive effect on ethnic minority communities' health. But we have also set out a specific programme of work to tackle ethnic minority ill health.

226. The Department of Health has published a race equality agenda that includes:

- improving the skills of all staff in developing and delivering services that meet the cultural, religious and linguistic needs of local ethnic minority populations (this might include, for example, the publication of key information in languages appropriate for the local community);
- requiring Health Authorities, Primary Care Groups and Primary Care Trusts to give due regard to identifying and meeting the local population's health service needs, including those of ethnic minority groups (similarly, Health Improvement Programmes will provide culturally relevant services and properly targeted health messages); and
- using monitoring and target-setting mechanisms in ensuring that inequalities in health and the needs of ethnic minority communities are addressed⁹⁹.

Equality in mental health services

227. We are also changing the way that a number of core services are delivered with respect to mental illness.

- A national standard has been set for mental health and social services to combat discrimination.

- Mental health services have been required to plan and implement their activities in partnership with local communities to ensure that they meet the needs of ethnic minority communities.
- Performance measures have been defined, including monitoring of the experience of services by ethnic minority groups and evidence of appropriate care¹⁰⁰.

Increasing the accessibility of social care services

228. We recognise that social care services may not be easily accessed by ethnic minority communities or wholly appropriate to their needs. A number of initiatives have been put in place to help address this, including:

- developing, with local ethnic-minority-led voluntary organisations, action plans for improving services for older people from ethnic minority communities;
- producing training material for social care staff who work with ethnic minority older people and those with mental health problems¹⁰¹;
- funding a project to identify professionals and care workers who work with ethnic minority carers, to form a network for mutual support and sharing good practice; and

- funding a project to improve service delivery and outcomes – through policy development and sharing good practice – for ethnic minority children and their families.

Other examples of tackling health inequalities

229. Other examples of specific action to tackle health inequalities in ethnic minority communities include:

- increasing the awareness of HIV and AIDS, and issues around testing, particularly among Black African communities. This includes ante-natal testing, which is now offered and recommended to all pregnant women;
- developing a comprehensive and targeted campaign to promote organ donation among South Asian communities; and
- making explicit the need for coronary heart disease services – particularly important among some South Asian communities – to be accessible to everyone, taking account of race, culture and religion¹⁰².

Neighbourhood renewal and race equality

230. Neighbourhood renewal provides an effective platform for building strong and cohesive communities in which everyone, regardless of race or ethnicity, has a real stake. The Neighbourhood Renewal Strategy recognises that past initiatives have been notable for their failure to engage or benefit the ethnic minority voluntary and community sector and issues that are important to ethnic minority communities have often been afforded low priority.
231. The Neighbourhood Renewal Unit has developed a Race Strategy to ensure that race equality is embedded into every aspect of neighbourhood renewal policy. Commitment 98 of the national strategy promised that ethnic minority groups would both be involved in the neighbourhood renewal process and benefit from its delivery. This commitment has a particular resonance in light of the summer 2001 disturbances in Bradford, Oldham and Burnley and the resultant commitment to a new focus on community cohesion. The Race Relations (Amendment) Act adds further impetus to the requirement for a robust race equality strategy throughout neighbourhood renewal activity.
232. This work has started in relation to the Neighbourhood Renewal Unit's own programmes as outlined in its Race Equality Action Plan. However, real delivery will be achieved only through

ensuring that mainstream services benefit our most deprived areas. It is therefore crucial that, in doing so, race equality is a common theme at a local, regional and national level. This is also reinforced by the implementation of 'floor targets'.

Community cohesion

233. The disturbances in the summer of 2001 were a stark reminder of the vital importance of community cohesion. A number of reports were produced to identify possible causes for these disturbances and to begin the process of addressing those causes. The reports demonstrated a lack of trust between communities as being at the root of the problem. They suggested that young people were rarely involved or consulted by local agencies, and that in some cases community leaders were only partially representative. In many cases, the causes were compounded by serious deprivation.
234. A cohesive community is one where there is a common vision and a sense of belonging for all residents, the diversity of people's backgrounds and circumstances is appreciated and positively valued, and those from different backgrounds have similar life opportunities. A number of initiatives have been established to enhance community cohesion. For example, 12 Policy and Practitioner Groups have been established, with representation from a wide remit of disciplines including local community and voluntary sector

organisations. These groups will provide expert advice on preventing conflict and promoting cohesion. In addition 14 Community Cohesion Pathfinder projects have been established across England. £6 million has been provided to enable the Pathfinder areas to develop approaches to mainstreaming community cohesion by supplementing and simplifying existing funding streams.

Housing issues

235. Ethnic minority people can face significant difficulties in getting good quality housing. Whilst there has been some improvement since the early 1980s, they are still more likely to be less satisfied than White people with their homes and to live in poorer quality and less popular types of accommodation, regardless of tenure¹⁰³.
236. Home ownership is most common among people in Indian, African-Asian and Pakistani communities – around 80 per cent of whom own their homes. This compares with fewer than 70 per cent of the White population. African-Caribbean and Bangladeshi groups are the least likely to own their homes and are also disproportionately concentrated in social housing – with nearly 50 per cent of households being in some form of social housing, compared with around 25 per cent of White and Chinese households¹⁰⁴.

237. Fifteen per cent of ethnic minority households live in overcrowded conditions, compared with two per cent of White households. In the case of Pakistani and Bangladeshi households this rises to 40 per cent. This may reflect a lack of availability of houses appropriate for large families, a cultural tradition of caring for elderly family members in the home and, to a lesser extent, lower incomes¹⁰⁵.

238. It is estimated that people from ethnic minority communities make up about five per cent of those sleeping rough. However, voluntary organisations report that there are disproportionately high numbers of ethnic minority people among the single homeless population who live in hostels¹⁰⁶.

Action to tackle ethnic disadvantage in housing

239. We are encouraging local authorities to take a strategic approach to housing so that they identify needs better, plan more systematically, and work in concert with others. This will help make best use of the increased resources allocated to authorities and Registered Social Landlords.
240. Landlords, or their agents, should comply with certain key codes, such as the Commission for Racial Equality's *Code of Practice on Rented Housing*, the statutory *Code of Guidance on Homelessness and Allocations*, and the new *Code of Practice for Social Landlords on Tackling Racial Harassment*.

241. Authorities are encouraged to work closely with ethnic minority groups in drawing up their housing strategies. But some authorities are better at consulting and engaging with partners than others. We think the current guidance to authorities could have more focus on ethnic minority issues and we will be strengthening this element in future guidance.

Monitoring and driving up performance: Best Value

242. The Best Value regime is crucial for monitoring delivery of services to ethnic minority residents, and driving up performance by both local authorities and Registered Social Landlords. Best Value housing reviews must involve the ethnic minority community and reflect their views on the authority's performance. Inspectors will consider all these points and more as part of their Best Value inspection programme and reflect them in their published reports.
243. The Housing Corporation is in the process of setting up a similar regime for Registered Social Landlords, which will focus on good practice towards ethnic minority tenants as one of five main themes.

Allocations and homelessness

244. It is unlawful for landlords to discriminate on racial grounds when allocating housing. Policies and procedures that discriminate indirectly are also against the law. However, the Commission for Racial

Equality and academic studies indicate that three times as many ethnic minority households are homeless as White households¹⁰⁷. South Asian homelessness is often concealed and is less accurately documented than African-Caribbean.

245. The Office of the Deputy Prime Minister is piloting a new approach to local authority lettings. This is designed to make the process more open and transparent, and to give applicants a more active role in the choice of a home. Choice Based Lettings offer the opportunity to promote awareness of, and access to, local authority housing for groups whose take-up is low, for example some Asian groups.

Young people

246. We know that young people from ethnic minority backgrounds are more likely to be living in deprived neighbourhoods and overcrowded conditions than young people from White households. This can affect educational achievement, because there is nowhere for young people to study at home, and can have an adverse effect on health.
247. Overcrowding, racism and discrimination are some of the pressures that can lead to homelessness¹⁰⁸. Young people from ethnic minority backgrounds can also become homeless because of a rejection of cultural and family traditions, which causes extreme isolation and can require considerable support. This is particularly an issue for those of Asian background¹⁰⁹.

248. There are considerable differences in the experiences of young homeless people from different ethnic backgrounds. Young White people are more likely to sleep rough than those with ethnic minority backgrounds, who tend to stay with friends or relatives. Homelessness is more likely to be hidden, especially among Asian people, who are less likely to apply to agencies for help. There are, however, few ethnic-minority-led organisations offering support and accommodation to young homeless people.

Older people

249. Our policies need to recognise the increase in the numbers of ethnic minority older people and their relative poverty and exclusion. This will be a particular issue over the next 10–15 years as first-generation migrants grow older and reach retirement age.

250. It is of tremendous importance to older people in particular that their cultural needs and preferences are understood and respected in the provision of housing and related support services. The Office of the Deputy Prime Minister is working with the Department of Health and other organisations to develop and implement a strategic framework to promote this. Policies aimed at breaking down segregation will also need to weigh this aspect carefully.

251. Many elderly members of ethnic minority communities do not access the available support services. There is a range of reasons for this. Often they are unaware that help is available. And there may be religious or cultural barriers to seeking help outside the family.

252. Many ethnic minority elders live with their families and an increasing number will be the owners of inappropriate homes. Home Improvement Agencies across the country offer advice on how elderly, disabled and vulnerable groups can adapt their homes to assist independent living. Through Foundations, the national co-ordinating body, we are pressing Home Improvement Agencies to raise awareness of their services within vulnerable and excluded groups.

The Supporting People programme

253. The Supporting People programme is about helping vulnerable people live independent lives in the community. The programme will introduce a new funding and policy framework that places on local authorities the responsibility for planning housing support services for vulnerable groups. The new framework should ensure that, in future, needs are assessed in a more comprehensive and consistent manner, and that service provision is better matched to need.

254. Most of the housing-related services are provided either by Registered Social Landlords or by voluntary sector bodies. A number of ethnic minority Registered Social Landlords and community organisations provide services to vulnerable ethnic minority residents. Many of these are small bodies, and we are taking a number of steps to help ease their transition to the new system and address concerns about funding, and their capacity to participate effectively in the new processes. For example, we have encouraged local authorities to be flexible in their contract requirements for small providers. A particular example of this is insurance, where lower levels of insurance than those set out in the model contract may be appropriate for small providers.

Access to justice

255. Evidence suggests that ethnic minority communities have least confidence in criminal justice services of any public service¹¹⁰. For many young Black men in particular, police and community relations directly influence their day-to-day experience of life.

256. The Home Office has a clear action plan for implementing the recommendations of the Lawrence Inquiry report on policing. But our understanding of the way in which the criminal justice system as a whole impacts on ethnic minority communities is only partial. As a priority, the Criminal Justice System Race Unit was announced on 7 November 2002. The unit will work with stakeholders, Criminal Justice Agencies and local Criminal Justice Boards to:

- develop a better understanding of the representation of people from ethnic minorities in the criminal justice system;
- identify system-wide barriers to improved performance and ensure that the work necessary for individual agencies to meet their responsibilities under the Race Relations (Amendment) Act is joined up and complementary;
- propose a programme of action that will make faster progress in eliminating discrimination in the criminal justice system, and champion the implementation of agreed measures;
- draw together existing good practice and disseminate the lessons across the criminal justice system; and
- make recommendations on the statistics that should be collected in future in this area and how they should be analysed and published.

Conclusions

257. Chapter two has highlighted, in depth, the risks of poverty and social exclusion associated with three vulnerable groups: large families, the disabled and ethnic minorities.

- In the first part of this chapter we focused on large families – a group that has not conventionally been considered a vulnerable group. But our analysis has shown that the risk of low income increases with family size. Children who live in lone parent families, ethnic minority groups, households with a disabled adult or disabled child, workless households and some couple families with no second earners are at greater risk of low income. These risk factors are not mutually exclusive. Family size is also important. Half of all children in low-income households live in large families. Our analysis suggests that it is not necessarily family size *per se* that disadvantages large families, but the interaction between a range of characteristics. In addition, the practical constraints associated with juggling working life and family life may be magnified for larger families.
- In this, the European Year of Disabled People, the second part of the chapter focused on issues faced by disabled people. Our analysis shows that disabled people and their families are

more likely than non-disabled people to be in low-income households. Disabled people are also less likely to be employed or to have higher level qualifications and are more likely to live in a household where no one is in work. They may also have higher living costs as a consequence of their health problem or disability. These disadvantages can lead to a high risk of poverty and social exclusion. But our analysis also showed that a vast number of people with a disability do work, and more still would like to work. We are working to ensure that disabled people are given the civil rights necessary to enable them to participate fully in society.

- The final part of this chapter presented some of the research evidence about outcomes for the diverse range of groups broadly classified as ‘ethnic minorities’. The section showed that the achievement of some ethnic minority groups matches or exceeds that of their White counterparts. But some stark inequalities are shown to remain in education, in the labour market and in public services. The analysis showed that differences between ethnic minority groups are just as relevant as the aggregate difference from White groups.

258. It is our intention that this analysis is seen in the context of our commitment to halve child poverty by 2010 and eradicate it by 2020. Our analysis has shown that low income is associated with a lack of

opportunities to live secure and fulfilling lives. Research supports our emphasis on work as the best route out of poverty, for those who can work. Work increases the chances of escaping low income for each individual and their family, but also cumulatively it generates resources in the economy for targeting those most in need.

259. Our purpose in exposing this analysis is simple.

- Firstly, as we move forward in implementing our strategy we are learning that some groups may find it more difficult to work than others. Or, depending on the household structure, number of workers in a household, hours worked and level of earnings, some may still suffer in-work low income. Large families, households with a disabled adult or child, and ethnic minorities are three such groups that, on average, face additional barriers to work. We believe that we have policies in place to address many of these issues.
- Secondly, the analysis drawn together here has shown that the problems faced by large families, disabled people and people from ethnic minority backgrounds are not mutually exclusive. Many of the barriers they face are interrelated. Although we have been able to identify associations among them all, it is certainly not clear that research has identified principal causation or solutions.

260. So we would like to hear your views on these issues. Since its inception in 1999, *Opportunity for all* has always presented an evidence-based strategy. This has evolved over time as new evidence has emerged. Feedback and discussion are crucial parts of that process of evidence gathering. We are unlikely to be able to solve these problems if we do not hear all informed views. Please send your views to the address below:

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e-mail: pov@dwp.gsi.gov.uk

or send us your feedback through our website at: www.dwp.gov.uk/ofa

Chapter three: Working in partnership

Introduction

1. The United Kingdom (UK) Government's strategy for tackling poverty and social exclusion is based on joined-up working across all parts of government and with the voluntary and community sector. We are also committed to working effectively with other member states in the European Union (EU) to share good practice in reaching the EU's historic commitment to make a decisive impact on poverty and social exclusion by 2010.
2. The *UK National Action Plan on Social Inclusion 2003–2005* sets out the anti-poverty strategy in the context of EU common objectives and common agreed indicators¹. Based on the participation of the Devolved Administrations, local authorities, the voluntary and community sector and people with direct experience of poverty, it seeks to complement *Opportunity for all* by drawing on good practice across the UK in support of a long-term strategy from an international perspective.
3. Devolution has now been in place for four years and the partnerships formed between the UK Government and the Devolved Administrations in Northern Ireland, Scotland and Wales are crucial to delivering on our shared social inclusion agenda².
4. In broad terms in Great Britain, the UK Government continues to have responsibility for employment, fiscal and economic policy, taxation, benefits and pensions, all of which impact on poverty and social exclusion. The Devolved Administrations, in varying degrees, have responsibility for health, education and training, law and order, housing and economic development. These too are all fundamental to tackling poverty and social exclusion and creating opportunity for all.
5. The Devolved Administrations produce their own reports, covering devolved issues. These reports should be read in conjunction with *Opportunity for all*, which concentrates only on those matters that continue to be reserved to the UK Parliament. The following is just a very brief reflection of the social inclusion strategies of the Devolved Administrations.

Northern Ireland

6. New Targeting Social Need (New TSN) is the Northern Ireland Executive's main policy for tackling poverty and social exclusion³. It has influenced and shaped the Programme for Government, being built into the Executive's priority areas such as Growing as a Community, Investing in Education and Skills, and Securing a Competitive Economy.
7. New TSN aims to tackle poverty, social need and social exclusion by targeting efforts and available resources at people, groups and areas in greatest social need. This means government departments using more of their resources to benefit

the most disadvantaged people, groups and areas. It is also about changing the way things are done so that programmes and services are organised and delivered in ways that are more helpful to disadvantaged people.

8. The New TSN policy is being advanced through three complementary elements: tackling unemployment and increasing employability, tackling inequality in other policy areas such as health, housing and education, and Promoting Social Inclusion.
9. Through both the Programme for Government and Making it Work, the Northern Ireland Executive made clear its commitment to evaluate New TSN by December 2002. The aims are to assess the way in which the policy has been implemented so far, and to examine its impact, with a view to informing future thinking.
10. A targeted consultation document *Interim Evaluation of New Targeting Social Need* was published in 2002. The evaluation findings are currently under consideration. Any proposed change in policy will be the subject of public consultation.

Scotland

11. *Social Justice... a Scotland where everyone matters* set out the Scottish Executive's long-term strategy for tackling poverty and injustice in Scotland⁴. The strategy provides the framework to achieve the Scottish Executive's goals:
 - the elimination of child poverty;
 - full employment by providing opportunities for all those who can work;
 - securing dignity in old age; and
 - building strong, inclusive communities.
12. This strategy includes ten long-term targets, underpinned by 29 milestones covering a wide range of issues at different lifecycle stages. The third Social Justice Annual Report outlined progress on the milestones and explored key themes of the social justice agenda⁵. *Closing the Opportunity Gap: Scottish Budget for 2003–2006* set out in detail – by Ministerial portfolio, with objectives and targets – how the Scottish Executive's spending plans would tackle poverty and build strong, safe communities⁶. The Cabinet Delivery Group on Closing the Opportunity Gap will drive forward the delivery of this agenda across the Scottish Executive.

13. *A Partnership for a Better Scotland* now sets out how the Scottish Executive will tackle the social, educational and economic barriers that create inequality, and work to end child poverty by tackling deprivation and social need⁷.
14. The Scottish Executive fully believes that the best way out of poverty is through work, and so much of its strategy is aimed at providing people with the necessary education, skills and confidence to serve them best in the labour market. The Scottish Executive aims to achieve this by working in collaboration with the UK Government through New Deal and other active labour market programmes such as progress2work, which looks to help recovering drug misusers into the labour market. In addition the Scottish Executive will work closely with the Department for Work and Pensions to pilot the Pathways to Work: Helping People into Employment initiative. One of the pilots will be in the Renfrewshire, Inverclyde, and Argyll & Bute Jobcentre Plus district.
15. As part of this strategy the Scottish Executive has allocated around £30 million in 2003 for the Training for Work programme, which is designed to help unemployed and disadvantaged adults improve their work-related skills and employment chances. The Scottish Executive's New Futures Fund plays a key role in helping young people who face serious disadvantage in the labour market, move towards work. It has already helped over 6,000 young unemployed people.
16. A lack of affordable and flexible childcare is often the most significant barrier that people, especially lone parents, face in taking up education, training or employment. This is why the Scottish Executive is currently piloting interventions in two areas, one urban and one rural, to decide how best to allocate its £20 million Employment and Childcare Package, aimed at helping disadvantaged parents in the most deprived areas into education, training or employment. It is also taking forward the Mentoring Initiative for Lone Parents, which will provide face-to-face and telephone support to disadvantaged lone parents.
17. In education, Sure Start Scotland, the Changing Children's Services Fund, and the roll-out of the New Community Schools approach to all Scottish schools, are helping children to overcome the barriers to learning and positive development. The delivery of integrated children's services, for example in education and health, aims to give children the best possible start in life.
18. From 2004, Educational Maintenance Allowance will give financial support to all 16–19-year-olds from households with a lower income, allowing them to continue their education. And greater participation in learning and employment by young people with additional support needs is being promoted, through the implementation of the Beattie Report recommendations⁸.

19. Over the next three years the Scottish Executive will invest some £25 million to develop the skills of unskilled people through Modern Apprenticeships, thereby increasing their chances of employment. This will help to alleviate the burden of poverty caused by unemployment by increasing the number of Modern Apprenticeships in training and employment to 30,000 by 2006.
20. The Scottish Executive will also use Regional Selective Assistance to address areas of relatively high disadvantage and unemployment, to create and safeguard 6,000 jobs a year to 2006. New initiatives under this framework will have a direct link to the New Deal programme, which has already seen almost 100,000 people in Scotland find employment.
21. In community regeneration the new executive agency, Communities Scotland, is leading the implementation of the community regeneration statement, *Better Communities in Scotland: Closing the Gap*⁹.
22. At the forefront of this regeneration strategy, Community Planning Partnerships (which comprise a range of public, private and community and voluntary bodies) are responsible for working with communities to determine local priorities and put together a strategic planning framework for the delivery of change. These will take on the functions of the present Social Inclusion Partnerships, which target support to the most disadvantaged areas.
23. Additionally, the Better Neighbourhood Services Fund aims to improve the quality of services in particularly deprived local authorities through the support of initiatives – for example the Glasgow City 'Class Connections' scheme, which provides free transport for school children travelling to leisure and recreation venues.
24. Improvement and replacement of poor housing stock is providing decent, affordable housing for homeless people and those on low incomes. This will be supported by the introduction of the Scottish Social Housing Standard, ensuring a minimum set of quality standards for tenants of all social landlords. An Anti-Social Behaviour Bill will also bring safer, cleaner communities to Scotland's people, reducing crime and the fear of crime. These measures are complemented by the Homelessness (Scotland) Act 2003. All homeless people will be entitled to permanent accommodation by 2012 and no one will have to sleep rough.
25. The *Scottish Fuel Poverty Statement* commits the Scottish Executive to a 30 per cent reduction in the number of households in fuel poverty by 2006, with eradication by 2016¹⁰. As part of this strategy, the Central Heating Programme is providing free central heating to pensioners and will ensure that every pensioner has been provided with free central heating by 2006. This is being assisted by the Warm Deal package of home insulation grants for low-income households and pensioners.

26. The Scottish Executive is also helping older people to live healthy, independent lives within Scotland's communities. It has made a commitment to free personal and nursing care for the elderly, and there will be a national free off-peak bus travel scheme for older people and people with disabilities.
27. Finally, to promote financial inclusion the Scottish Executive will support Credit Union development and community banking, to ensure alternatives to mainstream banking are available. Those burdened by multiple debt are being helped through the increased provision of free money advice, to support the implementation of the Debt Arrangement and Attachment (Scotland) Act 2002.
- improving the nation's health and well-being;
 - giving every child the best possible start in life;
 - providing flexible and accessible learning opportunities;
 - ensuring access to better, more open and responsive public services;
 - empowering people to shape their own futures and achieve their full potential; and
 - successfully tackling economic inactivity.

Wales

28. *Plan for Wales 2001* set out the values and long-term vision of the Welsh Assembly Government¹¹. The aim is to create communities in Wales that are safe and a pleasure to live in, and where everyone is actively involved in creating the community they want. This is being achieved through:
- regenerating the most deprived communities in Wales;
 - providing employment and training opportunities for all those able to work;
29. The Welsh Assembly Government's commitment to tackling poverty and community regeneration is underlined by the recent appointment of a dedicated Minister with a wide and cross-cutting range of responsibilities to carry forward and deliver the social justice agenda for Wales in an integrated and co-ordinated way.
30. Through a combination of government and community action, the aim will be to encourage and support the most disadvantaged communities in Wales. Issues will be addressed through a range of initiatives, including the Communities First programme, Credit Unions and co-operatives. In taking forward this new portfolio the Minister for Social Justice and Regeneration will be considering the range of policies and programmes that support regeneration in Wales.

31. All of the policies and programmes of the Welsh Assembly Government – health, education, economic development, transport, housing, the Welsh language and culture, and the environment – have focused on building stronger and more sustainable communities across the length and breadth of Wales. The Welsh Assembly Government publishes an Annual Report on Social Inclusion in Wales, which sets out how it is taking forward its social inclusion agenda in all its relevant policies and programmes and in those of the bodies it sponsors. The latest – the *Third Annual Report on Social Inclusion in Wales* – was published in 2003¹².
- working with the European Commission and other EU member states to develop our understanding of effective interventions that really make a difference to people at risk of social exclusion; and
 - making full use of the opportunities provided by the European Union Action Programme on social exclusion.
33. We believe that it is critically important to engage individuals, families and communities in the democratic process and promote genuine self-determination. For this reason, we are committed to providing communities with the capacity and skills to play an active role in national and local decision-making processes. We are looking to put in place systems that will enable communities, including those in the most deprived areas, to identify what they see as the particular concerns in their area, and to play an active role in addressing those concerns.

Partnership working

32. The *UK National Action Plan on Social Inclusion 2003–2005* sets out our plans for developing the social inclusion agenda across the UK over the next two years. These will include:
- building on the work of the Active Communities Unit and others to extend the involvement of the voluntary and community sector and people experiencing poverty in the evaluation and development of government strategy;
 - strengthening the links between the European Social Fund and work to tackle poverty;
34. Our agenda for modernising public services also requires an increase in the voluntary and community sector contribution to service delivery. An action plan for achieving this was set out in the report of the cross-cutting review of *The Role of the Voluntary and Community Sector in Service Delivery*¹³. This involves building demand in government departments, local authorities and other statutory agencies for services to be delivered through the voluntary and community sector. It will encourage new partnerships for shaping and delivering

services, co-ordinated through the growing number of local strategic partnerships being developed both in neighbourhood renewal areas and beyond.

35. The capacity for the voluntary and community sector to play an appropriate role in this process will be increased, with a modernised funding and procurement process in place, a reduction of bureaucracy, and the introduction of a fit for purpose legal and regulatory framework for charities and other voluntary and community sector organisations. This recognises that voluntary and community sector organisations have a distinct role to play, for example by widening access and by involving volunteers and service users in their work.
36. We are also looking to develop sustainable improvements to local service delivery, making services more accountable to local communities. Information on public service performance will be more freely available and transparent, with service providers held accountable for poor performance. Floor targets (minimum standards) will be set, below which standards should not be allowed to fall. Most importantly, communities will be encouraged to engage with the design, delivery and political accountability of public services.
37. The Adventure Capital Fund is a partnership between government and key organisations in the voluntary and

community sector, exploring a new approach to investment in community activity. The Fund provides 'patient capital' – investment that recognises the long-term nature of community development and the importance of linking funding with support for organisational development.

Case study – Action for Business Ltd

Action for Business Ltd (ABL) in Bradford is using a £300,000 loan received from the Adventure Capital Fund to buy the Carlisle Business Centre in Manningham. Taking over ownership will act as a springboard for a range of new initiatives and projects for this multi-ethnic community. Acquisition of the business centre will secure the capital asset base of ABL, nearly triple the turnover and double the projected surplus. The additional funding will be used to provide small grants to support local community activities.

38. A further £4 million has been made available to the fund from the Recovered Assets fund. The second round of investments will include a main focus on building capacity in ethnic minority community organisations, and encouraging growth in community-based service delivery in priority areas such as crime reduction, childcare, education and training, and job creation.

Annex: Indicators of progress

Introduction

1. This annex contains information on the indicators used to monitor our strategy to tackle poverty and social exclusion. These indicators were established in 1999, when we published our first annual *Opportunity for all* report.
2. We review the indicators annually to ensure that they capture our evolving strategy and use the best available information. Consequently, the original set of indicators has been added to and some definitions have been refined. We always welcome feedback on the indicators and have actively encouraged debate, for example as part of our consultation *Measuring child poverty*¹.
3. This year we have included new indicators on fuel poverty and the proportion of casualties in disadvantaged areas. Changes have been made to a small number of the indicators, for example to revise data in line with the results of the 2001 Census.
4. As in previous reports the indicators are organised according to stages of the lifecycle. There are sets of indicators for children and young people, working-age people and older people. A set of communities indicators monitors the progress of our strategy to narrow the gap between areas with the worst performance and other areas.
5. The geographical coverage of the indicators is clearly stated. For example, some indicators (such as those for education and health) cover England only whilst others (such as those for employment and low income) cover Great Britain. The indicators reported here concentrate on those matters that continue to be reserved to the United Kingdom (UK) Parliament. The Devolved Administrations of Scotland, Northern Ireland and Wales produce their own reports covering devolved issues (see Chapter three).
6. This year we will also be making the indicators available on a special section of the Department for Work and Pensions website². We plan to update indicators on the website as new data become available, as well as publishing the *Opportunity for all* report each year. We will also be able to include additional breakdowns for some indicators.

Measuring child poverty

7. In April 2002 we launched our consultation *Measuring child poverty*, to seek views on the best way to measure child poverty in the long term. As well as issuing a consultation document asking for written responses, we sought to encourage debate among interested parties, including those with direct experience of poverty, through a range of events across the UK. These involved children, young people and families experiencing poverty, organisations working in the poverty field, and academics.

8. Preliminary conclusions from the consultation were published in May 2003³. The document outlined recommendations and next steps. Further methodological work and discussions with experts will take place before finalising details of the long-term measure by the end of 2003.

National Action Plan

9. The *UK National Action Plan on Social Inclusion 2003–2005*⁴ includes a set of indicators covering a range of social inclusion issues for the whole UK. They include indicators common to all European Union Member States (Laeken Indicators) to allow direct comparisons, and UK-specific indicators to highlight areas of particular UK interest.

Indicator summary table

The table below provides a summary of the direction of movement of the data underlying the indicators. It assesses overall progress by looking at the trend since the baseline. It also shows the direction of movement of the most recent data. It is important to note that, because many of the indicators draw on data from sample surveys, small changes in data could be attributed to sampling variability. Most recent data reported range from 1999 to 2003 depending on the data source.

✓ data moving in right direction

✗ data moving in wrong direction

≈ data show broadly constant trend or no significant movement

▲ only baseline data available or insufficient data available to determine a trend

Children and young people

Indicator	Coverage	Trend since baseline	Direction of latest data
Children in workless households	GB	✓	≈
Low income:			
Relative	GB	✓	≈
Absolute	GB	✓	✓
Persistent	GB	≈	≈
Teenage pregnancy:			
Teenage conceptions	England	✓	✓
Teenage parents not in education, employment or training	England	✓	✗
Key Stage 1 (7-year-olds) attainment in Sure Start areas	England	▲	▲
Key Stage 2 (11-year-olds) attainment	England	✓	≈
Attainment: 16-year-olds' achievement	England	✓	✓
Schools below floor target	England	✓	✓
19-year-olds with at least a Level 2 qualification	England	✓	≈
School attendance	England	≈	≈
Educational attainment/participation of children looked after by local authorities	England	▲	≈
16–18-year-olds in learning	England	≈	≈
Infant mortality	England	▲	▲
Serious unintentional injury	England	✓	≈
Smoking rates for:			
Pregnant women	England	▲	▲
Children aged 11–15	England	✓	≈
Re-registrations on Child Protection Register	England	✓	≈
Housing that falls below the set standard of decency	England	▲	✓

People of working age

Indicator	Coverage	Trend since baseline	Direction of latest data
Employment rate	GB	✓	≈
Employment rates of disadvantaged groups:			
People with disabilities	GB	✓	✓
Lone parents	GB	✓	≈
Ethnic minority people	GB	✓	≈
Older workers	GB	✓	✓
Lowest qualified	GB	≈	≈
Working-age people in workless households	GB	✓	≈
Working-age people without a qualification at NVQ Level 2 or higher	England	✓	≈
Long periods on income-related benefits	GB	✓	≈
Low income:			
Relative	GB	≈	≈
Absolute	GB	✓	✓
Persistent	GB	≈	≈
Smoking rates:			
All adults	England	✓	≈
Manual socio-economic groups	England	✓	≈
Death rates from suicide and undetermined injury	England	≈	✓
Rough sleepers	England	✓	≈
Use of Class A drugs	England and Wales	≈	≈

Older people

Indicator	Coverage	Trend since baseline	Direction of latest data
Low income:			
Relative	GB	✓	≈
Absolute	GB	✓	✓
Persistent	GB	≈	≈
People contributing to a non-state pension	GB	▲	≈
Amount contributed to non-state pensions	UK	▲	▲
People making continuous contributions to non-state pensions	GB	✓	≈
Healthy life expectancy at age 65	England	▲	≈
Being helped to live independently:			
Receiving intensive home care	England	✓	✓
Receiving any community-based service	England	✓	✓
Housing that falls below the set standard of decency	England	▲	✓
Fear of crime	England and Wales	✓	≈

Communities

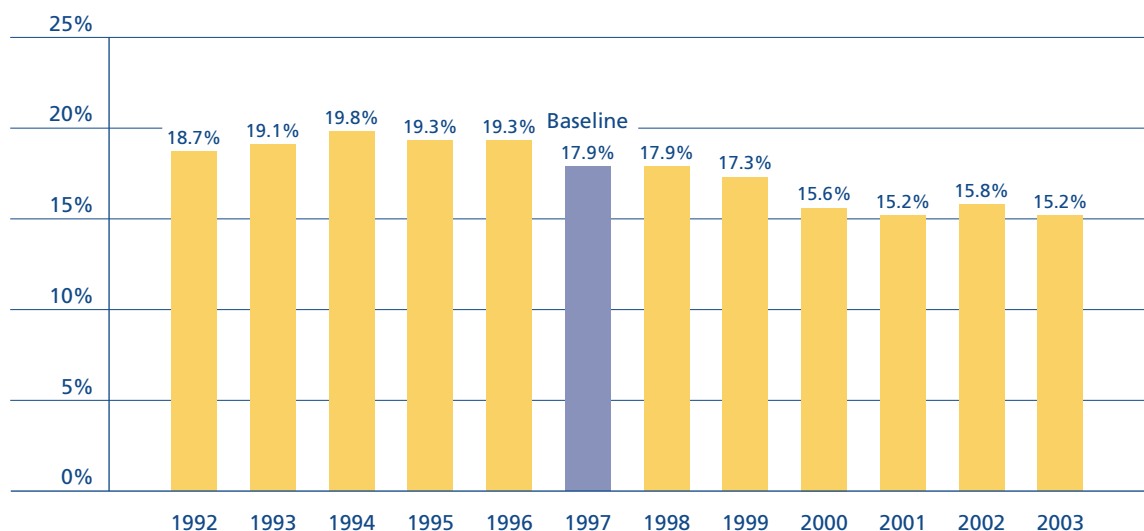
Indicator	Coverage	Trend since baseline	Direction of latest data
Employment rates in deprived areas	GB	✓	✓
Rate of domestic burglary	England and Wales	✓	✗
Housing that falls below the set standard of decency	England	▲	✓
Households in fuel poverty	England	▲	✓
Life expectancy at birth	England	≈	≈
Attainment gap at Key Stage 2 (11-year-olds)	England	✓	✓
Road accident casualties in deprived areas	England	▲	≈

Indicators for children and young people

A reduction in the proportion of children living in working-age workless households (Great Britain).

Baseline and trends: Baseline year – 1997. Between 1992 and 1996 the proportion of children living in working-age workless households was broadly constant at around 19 per cent. Since then, the proportion has fallen to 17.9 per cent in 1997 (baseline year) and stands at 15.2 per cent in 2003.

Percentage of children living in workless households (Great Britain)



Definition: Percentage of children aged under 16 in a working-age household where no adult works. A working-age household is a household that includes at least one person of working age (a woman aged between 16 and 59 or a man aged between 16 and 64). Workless individuals are those who are either International Labour Organisation unemployed or economically inactive (that is, not in employment).

Data source: Labour Force Survey, spring quarters.

Linked to Department for Work and Pensions PSA targets: To reduce the number of children living in workless households over the three years to 2004, and to reduce the proportion of children in households with no one in work over the three years from spring 2003 to spring 2006 by 6.5 per cent.

Low-income indicators (Great Britain):

- a) A reduction in the proportion of children living in households with relative low incomes.
- b) A reduction in the proportion of children living in households with low incomes in an absolute sense.
- c) A reduction in the proportion of children living in households with persistent low incomes.

Baseline and trends: Baseline year – 1996/97. Data for the three indicators are presented in the chart and table below, though information for the persistent low income indicator is shown only in the table. Whilst the table aims to provide a comprehensive picture of progress by including data for a range of low-income thresholds, the chart focuses on the 60 per cent of median income threshold for the relative and absolute indicators.

The proportion of children living in households with relative low incomes fell between 1996/97 and 2001/02, from 34 per cent to 30 per cent on the after housing costs measure and from 25 per cent to 21 per cent on the before housing costs measure. The proportion of children living in households with absolute low incomes showed a large fall from 34 per cent to 20 per cent on the after housing costs measure and from 25 per cent to 12 per cent on the before housing costs measure. Sixteen per cent of children lived in a household with a low income in at least three out of four years between 1998 and 2001.

Percentage of children living in low-income households (Great Britain)



Percentage of children living in low-income households (Great Britain)

		Relative low income			Absolute low income				
		Low-income threshold	50% of median	60% of median	70% of median	50% of median	60% of median	70% of median	
Baseline	1996/97		12	25	36	12	25	36	
	1997/98		13	25	36	12	24	35	
	Before housing costs	1998/99		12	24	35	11	22	33
		1999/00		11	23	35	9	19	31
		2000/01		11	21	33	8	16	26
	2001/02		10	21	33	6	12	22	
After housing costs	1996/97		23	34	42	23	34	42	
	1997/98		23	33	41	22	32	40	
	1998/99		23	33	41	20	31	39	
	1999/00		22	32	41	17	28	37	
	2000/01		19	31	39	13	24	32	
	2001/02		19	30	39	10	20	29	
Persistent low income									
		1991–94	1992–95	1993–96	1994–97	1995–98	1996–99	1997–00	1998–01
Below 60% of median in 3 out of 4 years		20	17	17	16	16	16	17	16
Below 70% of median in 3 out of 4 years		30	29	28	26	26	26	26	25

Definition: Low-income thresholds are 50, 60 and 70 per cent of median household income (before and after housing costs):

- relative low income – median income moving each year;
- absolute low income – median income fixed at 1996/97 levels in real terms; and
- persistent low income – low income (before housing costs only) in three out of the last four years (60 and 70 per cent of median only).

Data for thresholds of mean income and full definitions are available in *Households Below Average Income 1994/5–2001/02*. Methodological improvements have led to some amendments to the data for persistent low income, though the trend has not changed.

Data source: Households Below Average Income information based on Family Resources Survey and British Household Panel Survey data.

Linked to joint Department for Work and Pensions and Her Majesty's Treasury PSA target: To reduce the number of children in low-income households by at least a quarter by 2004, as a contribution towards the broader target of halving child poverty by 2010 and eradicating it by 2020 (baseline for target is 1998/99).

Teenage pregnancy indicators (England):

- a) a reduction in the rate of conceptions for those aged under 18; and
- b) a reduction in the proportion of teenage mothers who are not in education, employment or training.

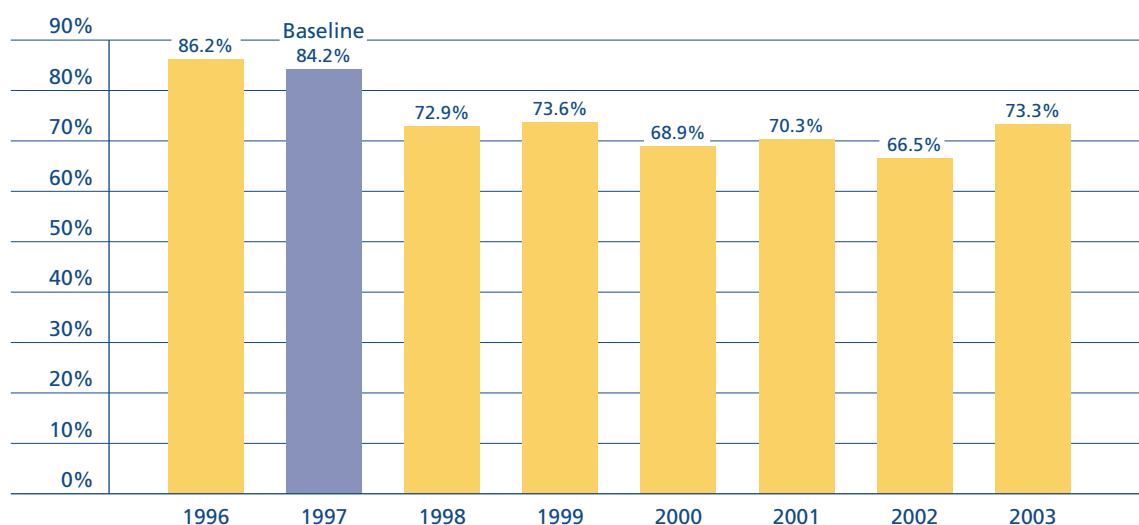
Baseline and trends: a) Baseline year – 1998. The under-18 conception rate fell between 1971 and 1981 and then rose between 1981 and 1991. Since then, rates have fluctuated. The rate fell again until 1995 but then rose following a contraceptive pill scare, reaching a peak in 1998. The rate for the year 2001 is 42.3 per thousand females aged 15–17, the lowest since 1995, and 10 per cent lower than in 1998. (Rates have been recalculated using revised 2001 Census population estimates.)

b) Baseline year – 1997. The proportion of teenage mothers not in education, employment or training in England has fallen from 84.2 per cent in 1997 to 73.3 per cent in 2003.

Under-18 conception rates per thousand females aged 15–17 (England)

	1971	1981	1991	Baseline					
	1971	1981	1991	1995	1997	1998	1999	2000	2001
Under-18 conception rate	54.7	38.7	45.5	41.6	45.8	47.0	45.3	43.8	42.3

Percentage of teenage mothers who are not in education, employment or training (England)



Definition: The under 18 conception rate is the number of conceptions (resulting in one or more live births and legal abortions) to females under 18, per thousand females aged 15–17. The figures on teenage mothers not in education, employment or training are for the 16–19-year-old age range.

Data source: Office for National Statistics Birth Statistics (England) and Labour Force Survey – spring quarters (England). Data for England are reported to reflect the coverage of the Teenage Pregnancy Strategy.

Linked to Teenage Pregnancy Strategy goals: (1) To halve the rate of teenage conceptions among under 18s by 2010 (in relation to a 1998 baseline); (2) To reduce the risk of long-term social exclusion by getting more teenage parents into education, training or employment, and specifically to increase the proportion of teenage mothers in education, training and employment to 60 per cent by 2010.

Linked to Department of Health PSA target: To improve life chances for children by reducing the under-18 conception rate by 50 per cent by 2010.

An increase in the proportion of 7-year-old children in Sure Start local programme areas achieving Level 2 or above in the Key Stage 1 tests/tasks for reading, writing and mathematics (England).

Baseline and trends: Sure Start local programmes aim to promote better outcomes for young children aged 0–3. Therefore the data shown below for 7-year-olds will not yet capture the first cohort of children participating in Sure Start programmes. However, these data provide early baseline information, highlighting the initial gap between performance in Sure Start areas and overall performance in England.

Percentage of children achieving Level 2 or above in Key Stage 1 tests

		Reading	Writing	Maths
2000	All schools in rounds 1–4 Sure Start areas (1,063)	75	77	85
	All schools in England	83	84	90
2001	All schools in rounds 1–4 Sure Start areas (1,079)	76	78	86
	All schools in England	84	86	91
2002	All schools in rounds 1–4 Sure Start areas (1,098)	76	78	86
	All schools in England	84	86	90

Definition: The proportion of 7-year-olds achieving Level 2 or above in the Key Stage 1 tests/tasks in schools in Sure Start areas.

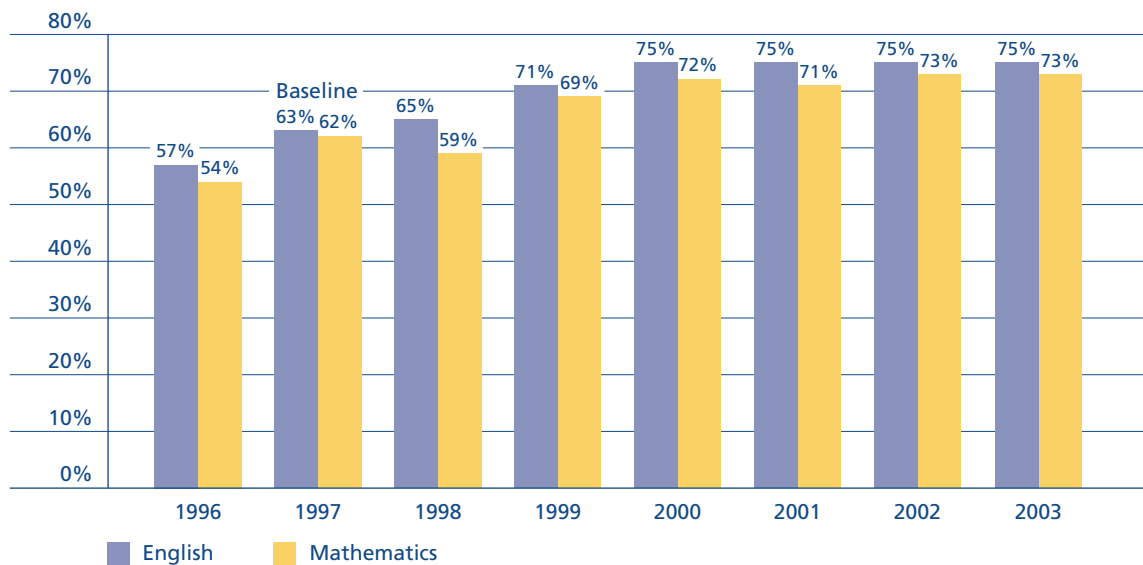
Data source: Department for Education and Skills.

Linked to Sure Start Output and Performance Analysis.

An increase in the proportion of 11-year-olds achieving Level 4 or above in the Key Stage 2 tests for English and mathematics (England).

Baseline and trends: Baseline year – 1997. Between 1997 and 2003 there has been an overall increase in the proportion of 11-year-olds achieving Level 4 or higher in the Key Stage 2 tests for both English and mathematics – from 63 per cent to 75 per cent for English and from 62 per cent to 73 per cent for mathematics.

Percentage of 11-year-olds achieving Level 4 or above in the Key Stage 2 tests for English and mathematics (England)



Definition: Percentage of 11-year-olds achieving Level 4 or above in Key Stage 2 English and mathematics tests.

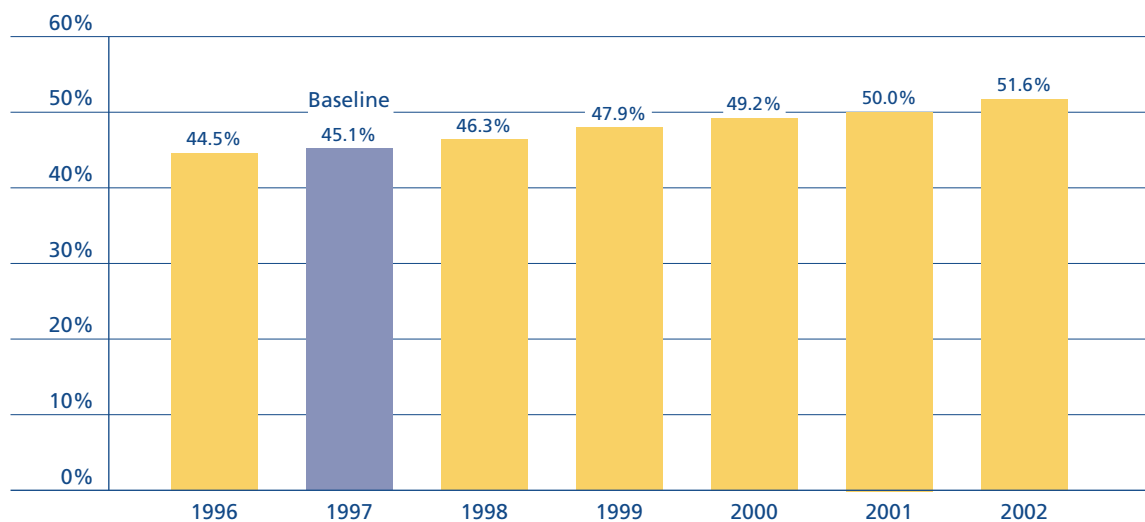
Data source: National Curriculum Assessments, Key Stage 2, Department for Education and Skills.

Linked to Department for Education and Skills PSA targets: To raise standards in English and mathematics so that 85 per cent of 11-year-olds achieve Level 4 or above and 35 per cent achieve Level 5 or above as soon as possible.

An increase in the proportion of 16-year-olds with at least five GCSEs at grades A* to C, and in all schools at least 20 per cent reach this standard by 2004 rising to 25 per cent by 2006 (England).

Baseline and trends: Baseline year – 1997. The proportion of 16-year-olds with at least five GCSEs at grades A* to C has risen from 45.1 per cent in 1997 to 51.6 per cent in 2002. The number of schools achieving below a floor target of 20 per cent and 25 per cent has also been steadily declining since the baseline year of 1997.

Percentage of 16-year-olds with at least five GCSEs at grades A* to C



Number of schools achieving below a floor target at GCSE/GNVQ

	Baseline 1997	1998	1999	2000	2001	2002
Below 20%	361	325	277	241	196	157
Below 25%	616	553	487	436	369	294

Definition: Percentage of 16-year-olds (at the end of the academic year) with at least five GCSEs at grades A* to C or GNVQ equivalents in all schools in England. This replaces the indicator in last year's report focusing on attaining one GCSE.

Data source: GCSE/GNVQ and GCE A/AS level and Advanced GNVQ examination results.

Linked to Department for Education and Skills PSA targets: Between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to five GCSEs at grades A* to C rises by two percentage points on average and in all schools at least 20 per cent of pupils achieve this standard by 2004 rising to 25 per cent by 2006.

An increase in the proportion of 19-year-olds with at least a Level 2 qualification or equivalent (England).

Baseline and trends: Baseline year – 1996. There has been an overall increase in the percentage of 19-year-olds with at least a Level 2 qualification from 69.7 per cent in 1996 to 74.8 per cent at the end of 2002.

Percentage of 19-year-olds with at least a Level 2 qualification (England)

Baseline							
1996	1997	1998	1999	2000	2001	2002	
69.7	72.3	73.9	74.9	75.3	74.8	74.8	

Definition: Percentage of 19-year-olds with a Level 2 qualification or above. Examples of a Level 2 qualification are: one A level, NVQ Level 2, Intermediate GNVQ, five or more GCSEs at grades A* to C or any equivalent qualifications.

Data source: Labour Force Survey – autumn quarters.

Linked to Department for Education and Skills PSA targets: The proportion of 19-year-olds who get qualifications equivalent to five GCSEs at grades A* to C rises by three percentage points between 2002 and 2004, with a further three percentage point increase by 2006. This is also one of the headline indicators in the UK Sustainable Development Strategy.

An increase in overall school attendance (England).

Baseline and trends: Baseline year – 1996/97. The chart below shows an overall increase in school attendance from the baseline year to 2001/02, although with some fluctuation in the intervening years.

Proportion of attendances in schools (England)

Percentage	Baseline					
1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
92.4	92.8	92.7	92.9	93.2	92.7	93.0

Definition: Authorised absence is absence that has been authorised by a teacher or other authorised representative of the school. Parents or guardians may provide an explanation for a particular absence, but only the school can authorise it. Unauthorised absence is absence without leave from a teacher or other authorised representative of the school. This includes all unexplained or unjustified absences. Authorised and unauthorised absences are measured in terms of percentage of half days missed. Attendance would then be 100 per cent minus these percentage points.

This is a new indicator that focuses on overall attendance rates through decreasing rates of absence (authorised and unauthorised) and replaces the previous indicator that dealt with truancies and exclusions. The Government set a target in 1998 to reduce permanent exclusions by a third: from their historical peak of 12,700 in the school year 1996/97 to 8,400 by September 2002. That target was met a year early – in May 2001 – when permanent exclusions were announced as having fallen to 8,323 for the school year 1999/2000.

Data source: Department for Education and Skills Pupil Absence return.

Linked to Department for Education and Skills target: By 2004, reduce school truancies by 10 per cent compared to 2002, sustain the new lower level, and improve overall attendance levels thereafter.

An improvement in the educational attainment and participation of children looked after by local authorities, including a substantial narrowing of the gap between them and their peers (England).

Baseline and trends: Baseline year – 1999/2000. The proportion of young people in care for at least one year who obtained at least five GCSEs at grades A* to C or equivalent increased from the baseline of 7.3 per cent in 1999/2000 to 7.5 per cent in 2001/02. The gap has changed from 41.9 per cent in 1999/2000 to 42.5 per cent in 2001/02.

Definition: Percentage of young people in care for at least one year (year ending 30 September) with at least five GCSEs at grades A* to C or equivalent. This replaces the indicator in last year's report, which looked at attaining one GCSE.

Data source: Outcome Indicator returns (OC2) – returns completed annually by social services departments at the request of Department of Health (now at the request of Department for Education and Skills).

Linked to joint Department of Health and Department for Education and Skills PSA

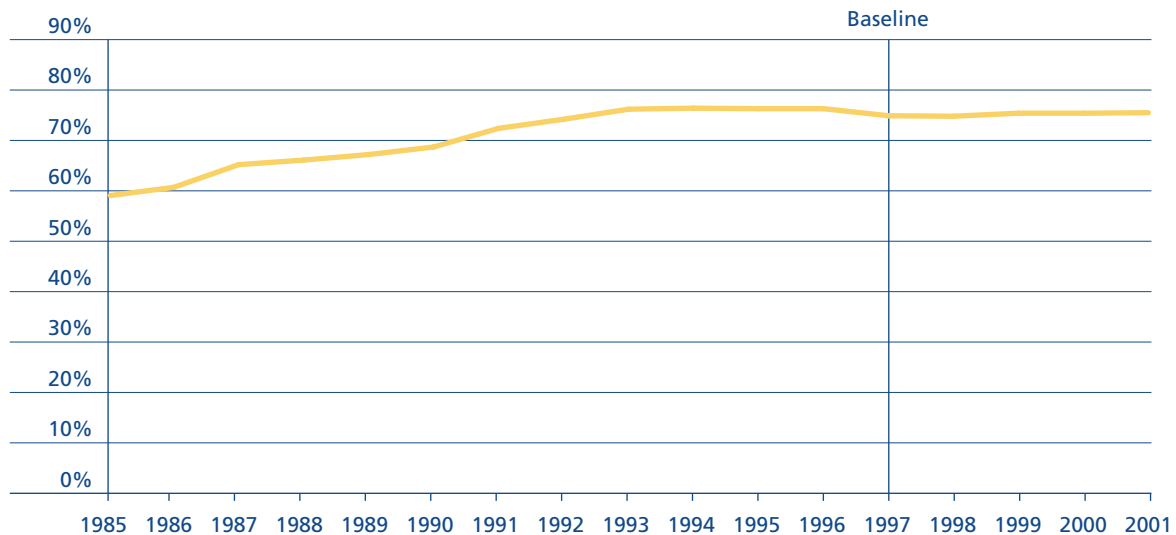
target: In light of the Social Exclusion Unit's report on raising the educational achievement of children and young people in care, a revised PSA target was announced on 1 April 2003. The target aims to substantially narrow the gap between the educational attainment and participation of children in care and that of their peers.

By 2006 the proportion of those aged 16 (and who have been in care for at least a year) who get qualifications equivalent to five GCSEs A* to C to rise by 4 percentage points per year from 2002; and in all authorities at least 15 per cent of young people to achieve this level of qualification.

An increase in the proportion of 16–18-year-olds in learning (England).

Baseline and trends: Baseline year – 1997. The proportion of 16–18-year-olds in learning increased from 59 per cent to 76 per cent between 1985 and 1993 then remained broadly constant until 1996. Since then it has been broadly constant at around 75 per cent and stands at 75.5 per cent in 2001.

Percentage of 16–18-year-olds in learning (England)



Percentage of 16–18-year-olds in learning (England)

1985	1986	1987	1988	1989	1990	1991	1992	1993
59.0	60.7	65.2	66.1	67.2	68.7	72.4	74.2	76.2
Baseline								
1994	1995	1996	1997	1998	1999	2000	2001	
76.4	76.3	76.3	74.9	74.8	75.4	75.4	75.5	

Note: Data for 2002 are not available as work is still ongoing to quality assure the underlying data.

Definition: Percentage of 16–18-year-olds in learning – defined as being in education or training.

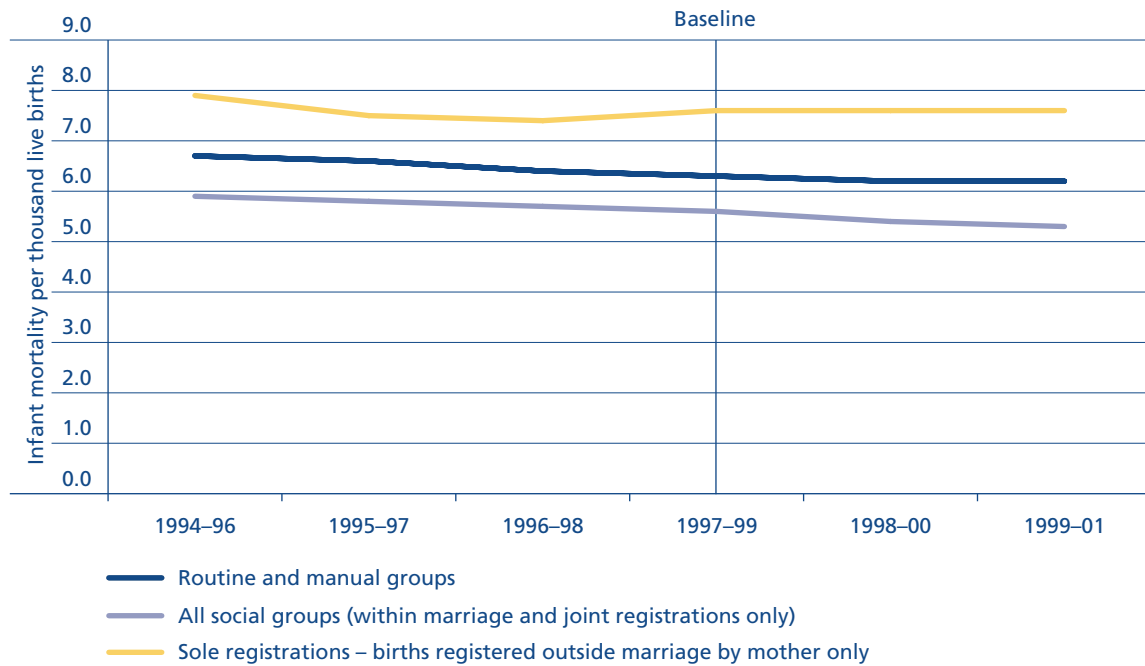
Data source: School, college and trainee records, Labour Force Survey.

Linked to Department for Education and Skills PSA target: National Learning Target for England for 2002 is that 85 per cent of 19-year-olds should have at least a Level 2 qualification (baseline for target is 1998). By 2004, increase by 3 percentage points the proportion of 19-year-olds achieving a qualification equivalent to NVQ Level 2 compared to 2002.

A reduction in the gap in mortality for children under one year between routine and manual groups and the population as a whole (England and Wales).

Baseline and trends: Baseline data – 1998 (based on the average of the three years 1997–1999). There are insufficient data available at present to determine a trend. However, the gap between the mortality rate for routine and manual groups and the whole population widened slightly between 1997–99 and 1999–2001.

Infant mortality rate per thousand live births (England and Wales)



Note: 1994–2000 based on NS SEC90. 1999–2001 figures combine 1999/2000 based on NS SEC90 and 2001 based on NS SEC.

Infant mortality rates per thousand live births (England and Wales)

	1994– 96	1995– 97	1996– 98	Baseline 1997– 99	1998– 00	1999– 01
Sole registrations	7.9	7.5	7.4	7.6	7.6	7.6
All social groups (within marriage, joint registrations only)	5.9	5.8	5.7	5.6	5.4	5.3
Routine and manual	6.7	6.6	6.4	6.3	6.2	6.2
Ratio: routine and manual/all	1.15	1.14	1.12	1.13	1.14	1.17

Note: 1994–2000 based on NS SEC90. 1999–2001 figures combine 1999/2000 based on NS SEC90 and 2001 based on NS SEC.

Definition: Infant mortality rate per thousand live births, England and Wales. Figures are for live births within marriage and joint registrations only, as social class can be allocated only to those groups where the father's occupation is identified. Therefore, information on infant mortality by the father's social class is not available for sole registrations. Although information is sought on the mother's occupation it is very incomplete, hence social class is routinely determined by the father's occupation. It is intended to monitor trends in all social groups (including sole registrations) – as shown in the chart – to check whether the gaps in mortality are narrowing.

The indicator was originally set using manual and non-manual social classes. It has now been re-set using the new National Statistics socio-economic classification (NS SEC). NS SEC was introduced in 2001, but comparable data for previous years have been produced using an approximation called NS SEC90. At the highest level, three social groups are identified: managerial and professional, intermediate, and routine and manual. Previous *Opportunity for all* reports set out the infant mortality rate per thousand live births (England and Wales) on the old basis.

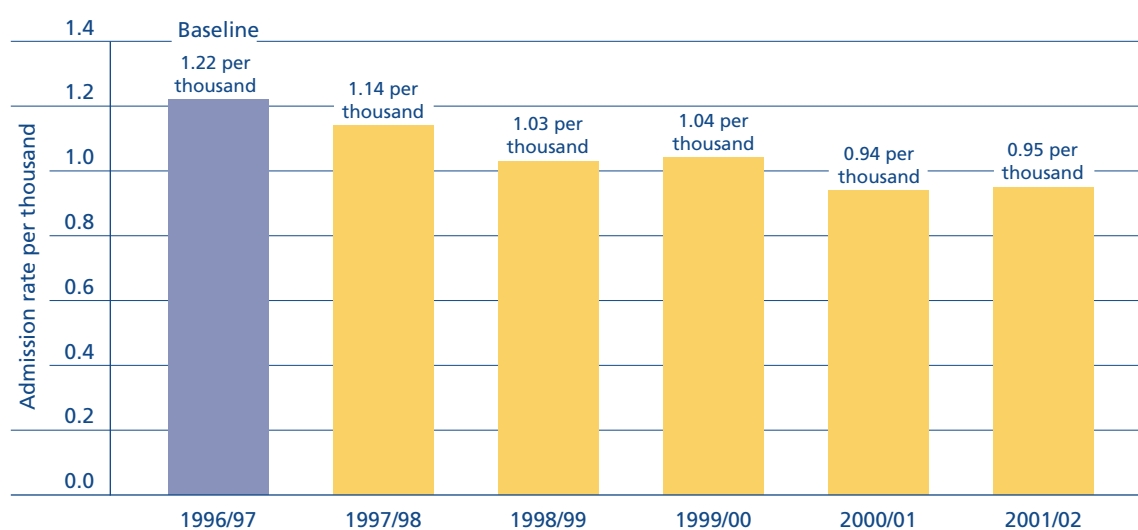
Data source: Office for National Statistics (data cover England and Wales). Linked file – linking information on birth and death registrations.

Linked to Department of Health PSA target on health inequalities: Starting with children under one year, by 2010 to reduce by at least 10 per cent the gap in mortality between routine and manual groups and the population as a whole.

A reduction in the rate at which children are admitted into hospital as a result of unintentional injury resulting in a hospital stay of longer than three days (England).

Baseline and trends: Baseline year – 1996/97. Figures for 1990/91 to 1994/95 (not comparable with recent estimates) show a reduction over time in the admission rate per thousand. Decline has continued in recent years with a fall in the admission rate from 1.22 per thousand to 0.95 per thousand between 1996/97 and 2001/02. (Rates have been recalculated using revised 2001 Census population estimates.)

Admission rate to hospital as a result of an unintentional injury resulting in a hospital stay of longer than three days for children aged under 16 (England)



Definition: Children aged under 16 whose injury is sufficiently serious to require a hospital stay exceeding three days.

Data source: Hospital Episode Statistics, Department of Health and Office for National Statistics population estimates.

Linked to Department of Health Our Healthier Nation target: To reduce the rate of serious injury from accidents for all ages by at least 10 per cent by 2010 (baseline for target is 1995/96).

A reduction in smoking rates: (a) during pregnancy; and (b) among children (England).

(a) A reduction in smoking rates during pregnancy.

Baseline and trends: Baseline year – 1995 – 23 per cent for England. Estimates are produced from the Infant Feeding Survey, carried out every five years. The most recent survey reported that in 2000, 19 per cent of women continued to smoke during pregnancy in England. (Owing to some changes in the survey design in 2000, data from 1995 and 2000 are not directly comparable.)

Results for Great Britain from 1985, 1990 and 1995 indicate that rates of smoking during pregnancy decreased from 30 per cent in 1985 to 23 per cent in 1995.

Definition: Proportion of women who continued to smoke throughout pregnancy. This includes all women who smoke at all during their pregnancy or in the year before conception, and who were smokers at the time of the baby's birth.

Data source: Department of Health Infant Feeding Surveys, 1985, 1990 and 1995 (data for Great Britain only is available from the 1985 and 1990 surveys); Department of Health Infant Feeding Survey 2000.

Linked to Smoking Kills White Paper target: To reduce the percentage of women in England who smoke during pregnancy from 23 per cent to 15 per cent by the year 2010, with a fall to 18 per cent by the year 2005.

Note: The latest data shown on smoking in pregnancy are still the most recent as they are based on data from the Infant Feeding Survey (2000), which is currently carried out every five years. The Department of Health is planning to report smoking in pregnancy more frequently through Health Visitor returns, in due course. However, the quality of this information is still being assessed.

(b) A reduction in smoking rates among children.

Baseline and trends: Baseline year – 1996 – 13 per cent. Smoking prevalence has fluctuated between 13 per cent and 8 per cent since 1982, with no clear trend over time. The most recent estimate is 10 per cent in 2002.

Prevalence of smoking cigarettes among children aged 11–15 (England)

Percentage							Baseline					
1982	1984	1986	1988	1990	1992	1994	1996	1998	1999	2000	2001	2002
11	13	10	8	10	10	12	13	11	9	10	10	10

Definition: Percentage of children aged 11–15 in England smoking cigarettes regularly. Regular smokers are defined as those who smoke at least one cigarette a week on average.

Data source: Department of Health: *Smoking, drinking and drug use among young people in England in 2002*.

Linked to Smoking Kills White Paper target: To reduce smoking among children in England from 13 per cent in 1996 to 9 per cent or less by the year 2010, with a fall to 11 per cent by the year 2005.

A reduction in the proportion of children registered during the year on the Child Protection Register who had been previously registered (England).

Baseline and trends: Baseline year – 1997/98. Re-registrations on the Child Protection Register fell from 19 per cent to 14 per cent between 1997/98 and 1999/2000. Re-registrations remained at 14 per cent between 1999/2000 and 2001/02.

Although virtually all of the improvements from 1997/98 to 1998/99 were attributed to improvements in data quality, the figures for subsequent years suggest that the underlying long-term trend upwards has been reversed.

Definition: Percentage of under 18s registered who had been previously registered.

Data source: The Personal Social Services Performance Assessment Framework Indicators 2001/02.

Linked to Department of Health PSA target, National Priorities Guidance: By 2002 to reduce by 10 per cent the proportion of children who are re-registered on the Child Protection Register from the baseline of the year ending March 1997.

A reduction in the proportion of children who live in a home that falls below the set standard of decency (England).

Baseline and trends: In 1996, 43 per cent of children lived in a home that did not meet the set standard of decency. This has since fallen to 30 per cent in 2001.

Definition: The proportion of dependent children (aged 0–15 or 16–18 in full-time education) who live in a home that does not meet the set standard of decency. The definition of a decent home is one that meets all of the following criteria:

- it is above the current statutory minimum standard for housing;
- it is in a reasonable state of repair;
- it has reasonably modern facilities and services; and
- it provides a reasonable degree of thermal comfort.

The detailed definition of the thermal comfort component of the decent home standard has been changed in light of an Office of the Deputy Prime Minister consultation. The new definition of thermal comfort will take account of a property's heating and insulation. This has increased the proportion of people living in non-decent housing. (Prior to the revision 36 per cent of children lived in homes that did not meet the decent home standard in 1996.)

Data source: The English House Condition Survey until recently was undertaken every five years. The latest English House Condition Survey was conducted in 2001. The survey is now being conducted on a continuous basis.

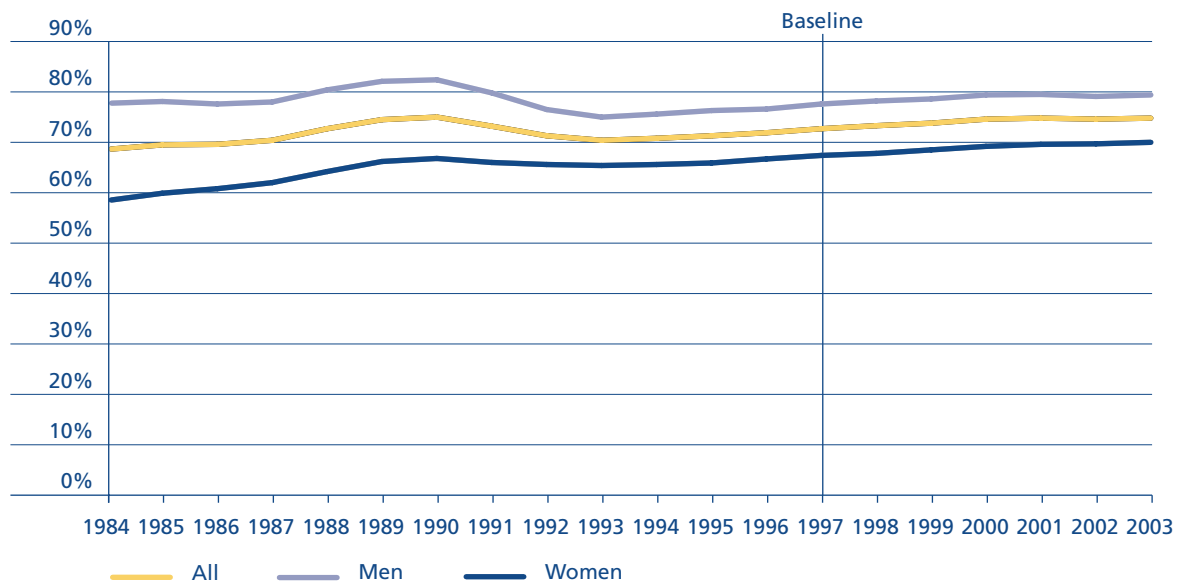
Linked to Office of the Deputy Prime Minister PSA target: By 2010, bring all social housing into decent condition with most of this improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups. The PSA target refers to households and does not distinguish between children, working-age and older people.

Indicators for people of working age

An increase in the proportion of working-age people in employment, over the economic cycle (Great Britain).

Baseline and trends: Baseline year – 1997. The proportion of the working-age population in employment increased to a peak of 75.0 per cent in 1990, falling subsequently to 70.6 per cent in the early 1990s during the recession. The proportion in employment has since risen to 72.9 per cent in 1997 (the baseline year) and to 74.8 per cent in 2003. Employment rates for men have been around ten percentage points higher than for women during the last ten years.

Percentage of working-age people in employment (Great Britain)



Percentage of working-age people in employment (Great Britain)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	
All	69.5	69.6	70.4	72.7	74.5	75.0	73.2	71.4	70.6	
Men	78.1	77.6	78.0	80.4	82.1	82.4	79.8	76.7	75.2	
Women	59.9	60.8	62.0	64.2	66.2	66.8	66.0	65.6	65.5	
	1994	1995	1996	Baseline 1997	1998	1999	2000	2001	2002	2003
All	71.0	71.6	72.1	72.9	73.5	73.9	74.6	74.8	74.6	74.8
Men	75.8	76.6	76.9	77.9	78.5	78.8	79.5	79.6	79.2	79.4
Women	65.7	66.0	66.9	67.6	68.1	68.8	69.5	69.7	69.8	70.0

Definition: Proportion of working-age people in employment. Working age is 16–59 for women and 16–64 for men.

Data source: Labour Force Survey – spring quarters. Non seasonally adjusted 1985–91, seasonally adjusted 1992–2002. Only data from 1997 to 2003 have been revised in line with the results of the 2001 Census.

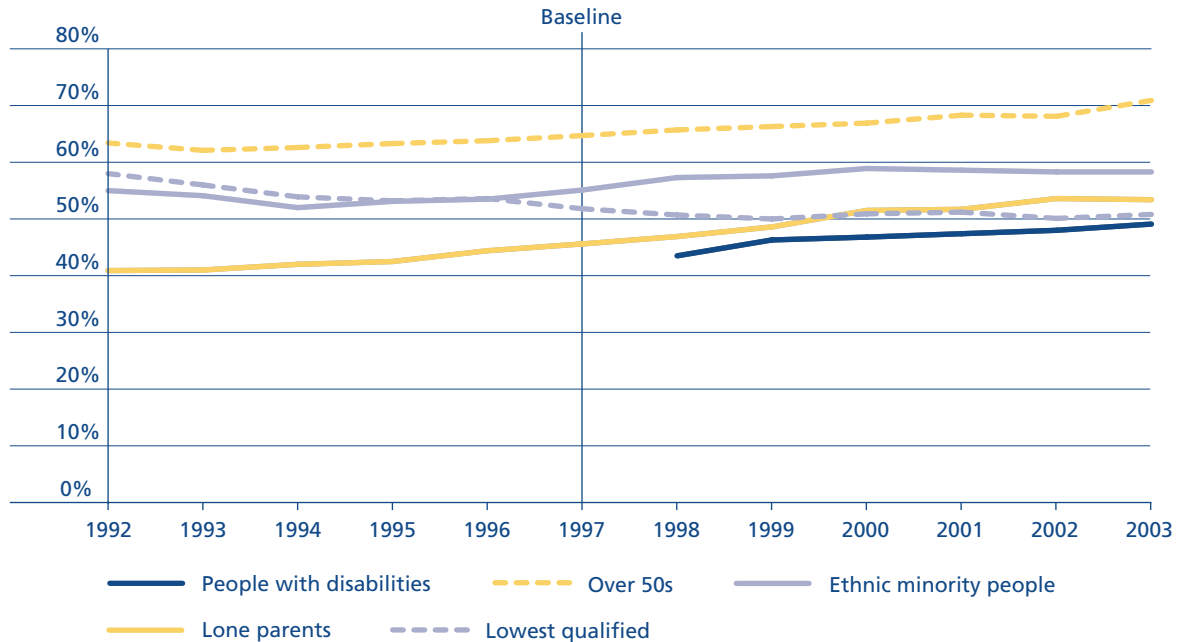
Linked to joint Department for Work and Pensions and Her Majesty's Treasury PSA targets: To demonstrate progress by 2006 on increasing the employment rate and reducing the unemployment rate over the economic cycle.

This is one of the headline indicators in the UK Sustainable Development Strategy.

An increase in the employment rates of disadvantaged groups – people with disabilities, lone parents, ethnic minority people, people aged 50 and over and the lowest qualified – and a reduction in the difference between their employment rates and the overall rate (Great Britain).

Baseline and trends: Baseline year – 1997 for lone parents, the over 50s and the lowest qualified, 1998 for people with disabilities and ethnic minority people. The employment rates for all these groups are lower than the overall employment rate. Between 1997 and 2003 there has been a rise in the employment rates of the over 50s from 64.7 per cent to 70.1 per cent and of lone parents from 45.6 per cent to 53.4 per cent. The employment rate of people with disabilities increased from 43.5 per cent in 1998 to 49.1 per cent in 2003 and the employment rate of ethnic minority people increased from 57.3 per cent to 58.3 per cent over the same period. There has been little change in the employment rate of the lowest qualified since the 1997 baseline.

Employment rates of disadvantaged groups (Great Britain)



Note: Data for ethnic minority people from 1998 onwards are not directly comparable with earlier years.

Employment rates of disadvantaged groups (Great Britain)

<i>Percentage</i>	1992	1993	1994	1995	1996	1997
All	71.3	70.4	70.8	71.3	71.9	72.7
Over 50s	63.4	62.1	62.6	63.3	63.8	64.7
Ethnic minority people	55.0	54.1	52.0	53.1	53.5	55.1
Lone parents	40.9	41.0	42.0	42.5	44.4	45.6
People with disabilities	–	–	–	–	–	–
Lowest qualified	58.0	56.0	53.9	53.2	53.6	51.8

<i>Percentage</i>	1998	1999	2000	2001	2002	2003
All	73.3	73.8	74.6	74.8	74.6	74.9
Over 50s	65.7	66.3	66.9	68.3	68.1	70.1
Ethnic minority people	57.3	57.6	58.9	58.6	58.3	58.3
Lone parents	46.9	48.6	51.5	51.7	53.6	53.4
People with disabilities	43.5	46.3	46.8	47.4	48.0	49.1
Lowest qualified	50.7	50.0	50.9	51.2	50.1	50.8

Employment rate gaps (Great Britain)

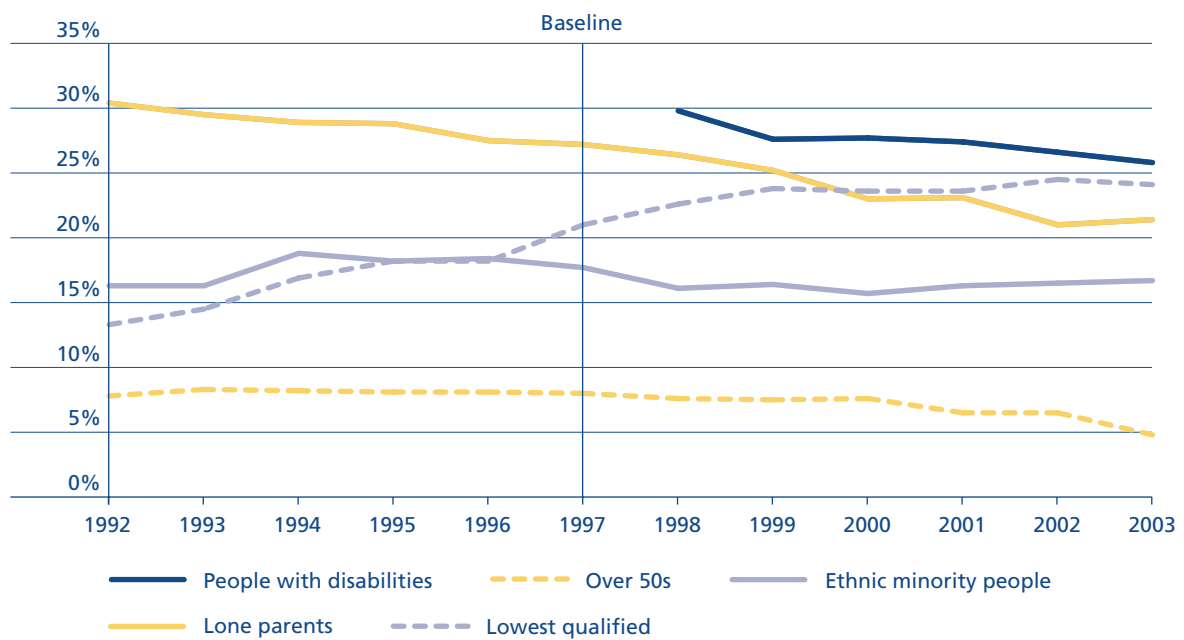
<i>Percentage</i>	1992	1993	1994	1995	1996	1997
Over 50s	7.8	8.3	8.2	8.1	8.1	8.0
Ethnic minority people	16.3	16.3	18.8	18.2	18.4	17.7
Lone parents	30.4	29.5	28.9	28.8	27.5	27.2
People with disabilities	–	–	–	–	–	–
Lowest qualified	13.3	14.5	16.9	18.2	18.2	21.0

<i>Percentage</i>	1998	1999	2000	2001	2002	2003
Over 50s	7.6	7.5	7.6	6.5	6.5	4.8
Ethnic minority people	16.1	16.4	15.7	16.3	16.5	16.7
Lone parents	26.4	25.2	23.0	23.1	21.0	21.4
People with disabilities	29.8	27.6	27.7	27.4	26.6	25.7
Lowest qualified	22.6	23.8	23.6	23.6	24.5	24.1

Note: Data from 1998 onwards for ethnic minority people are not comparable with earlier years.

The gap between the employment rate for most of these groups and the overall rate has narrowed since the baseline – from 8.0 to 4.8 percentage points for the over 50s, from 27.2 to 21.4 percentage points for lone parents and from 29.8 to 25.7 percentage points for people with disabilities. The employment rate gap for ethnic minority people has increased since 1998 and stands at 16.7 percentage points in 2003. There has been an increase in the employment rate gap for the lowest qualified from 21.0 in 1997 to 24.1 in 2003.

Employment rate gaps: the difference between employment rates of disadvantaged groups and the overall rate (Great Britain)



Note: Data for ethnic minority people from 1998 onwards are not directly comparable with earlier years.

Definition: People with disabilities consist of those covered by the provisions of the Disability Discrimination Act 1995 (their day-to-day activities are substantially limited by a long-term current disability) or those with a work-limiting disability (the kind or amount of work is affected by a long-term disability – long-term is over 12 months). Data for lone parents are based on lone parents with dependent children aged 0–18 years. The over 50s are defined as those aged 50 and over and below state pension age (that is, 50–59 for women and 50–64 for men). Ethnic minority people are all those respondents to the Labour Force Survey who classify themselves to an ethnic minority background. Data are aggregated. The lowest qualified are the 15 per cent of the working-age population with the lowest qualifications. Up to spring 2002 this covered only those without qualifications. Note that the disadvantaged groups covered in this indicator (people with disabilities, lone parents, ethnic minority people, the lowest qualified and those aged 50 and over) are not mutually exclusive.

Data source: People with disabilities – quarterly Labour Force Survey (LFS) spring quarters 1998 onwards. Lone parents – Household LFS spring quarters. Ethnic minority people – quarterly LFS, spring quarter 1992 and four-quarter averages to spring quarters from 1993 to 2003. Data from 1998 onwards are based on the new ethnicity variable **ethcen15** and are not directly comparable with previous years. Over 50s and the lowest qualified – quarterly LFS spring quarters 1992–2003. Working-age employment rates except for over 50s who are defined as aged 50 and over.

Data have not been adjusted to take account of Census 2001 results. The Office for National Statistics is working towards producing re-weighted LFS estimates based on the findings from the Census, and these will be available from November 2003.

Linked to Department for Work and Pensions PSA targets: Over the three years to 2004, increase the employment rates of disadvantaged areas and groups, taking account of the economic cycle – people with disabilities, lone parents, ethnic minorities and the over 50s – and reduce the difference between their employment rates and the overall rate.

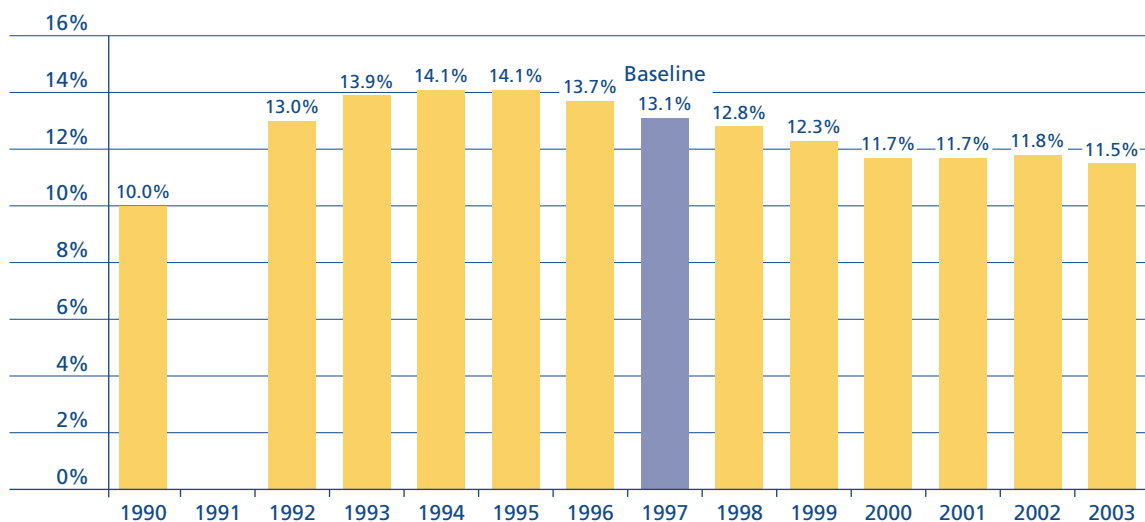
Over three years to 2006 increase the employment rates of disadvantaged areas and groups, taking account of the economic cycle – lone parents, ethnic minorities, people aged 50 and over and those with the lowest qualifications – and significantly reduce the difference between their employment rates and the overall employment rate.

In the three years to 2006, increase the employment rate of people with disabilities, taking account of the economic cycle, and significantly reduce the difference between their employment rate and the overall rate. Work to improve the rights of disabled people and to remove barriers to their participation in society.

A reduction in the proportion of working-age people living in workless households (Great Britain).

Baseline and trends: Baseline year – 1997. The proportion of working-age people living in workless households rose from 10.0 per cent in 1990 to 14.1 per cent in 1995. Since then it has fallen gradually to 13.1 per cent in 1997 (the baseline year) and 11.5 per cent in 2003.

Percentage of working-age people living in workless households (Great Britain)



Note: Data for 1991 are not available.

Definition: Proportion of working-age people living in working-age households where no one works. Working age is 16–59 for women and 16–64 for men. Workless individuals are those who are either International Labour Organisation unemployed or economically inactive (that is, not in employment).

Data source: Household Labour Force Survey, spring quarters.

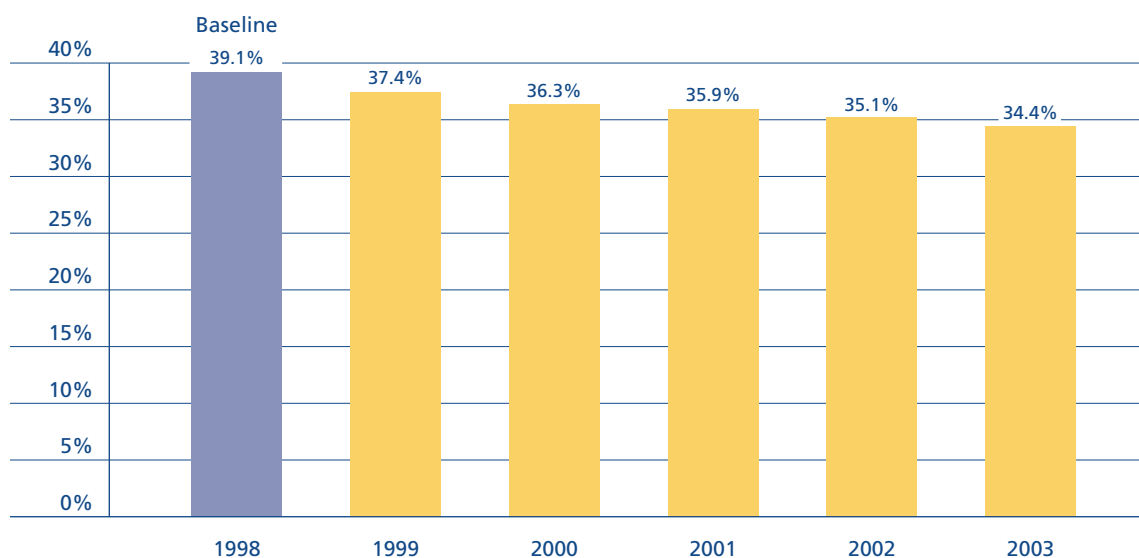
Linked to joint Department for Work and Pensions and Her Majesty's Treasury PSA target: To demonstrate progress by 2006 on increasing the employment rate and reducing the unemployment rate over the economic cycle.

This is one of the headline indicators in the UK Sustainable Development Strategy.

A reduction in the proportion of working-age people without a qualification at NVQ Level 2 or higher (England).

Baseline and trends: Baseline year – 1998. The proportion of working-age people without a qualification at NVQ Level 2 or higher has been falling from 39.1 per cent in 1998 to 34.4 per cent in 2003.

Percentage of working-age people without a qualification at NVQ Level 2 or higher (England)



Definition: Proportion of working-age adults without a qualification at Level 2 or higher (England). This replaces the indicator in last year's report for those with no qualification.

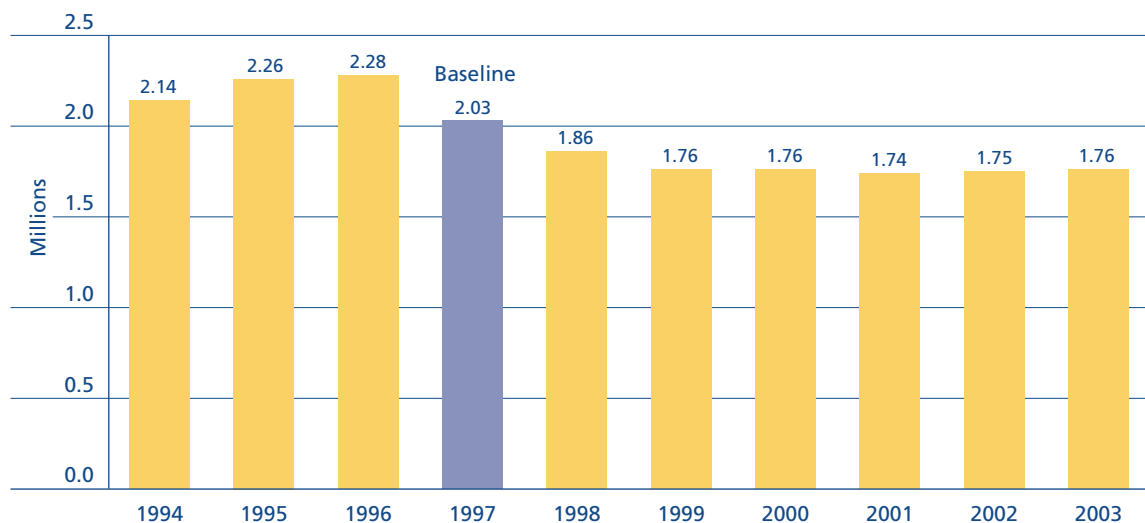
Data source: Labour Force Survey – spring quarters.

Linked to the Department for Education and Skills PSA target: Reduce by at least 40 per cent the number of adults in the workforce who lack NVQ Level 2 or equivalent qualifications by 2010. Working towards this, one million adults in the workforce should achieve Level 2 between 2003 and 2006.

A reduction in the number of working-age people living in families claiming Income Support or income-based Jobseeker's Allowance who have been claiming these benefits for long periods of time (Great Britain).

Baseline and trends: Baseline year – 1997. The number of people living in families in receipt of Income Support or income-based Jobseeker's Allowance for two years or more peaked at around 2.3 million in 1996. Since then the numbers have fallen to 2.0 million in May 1997 (the baseline) and to around 1.76 million in 2000 and subsequent years.

Number of working-age people living in families in receipt of Income Support or income-based Jobseeker's Allowance for two years or more (Great Britain)



Definition: Number of adults aged under 60 in families that have been claiming Income Support or income-based Jobseeker's Allowance for two years or more (claimants and partners).

Data source: Income Support and Jobseeker's Allowance Quarterly Statistical Enquiry, May quarters (figures for 2003 based on February quarter).

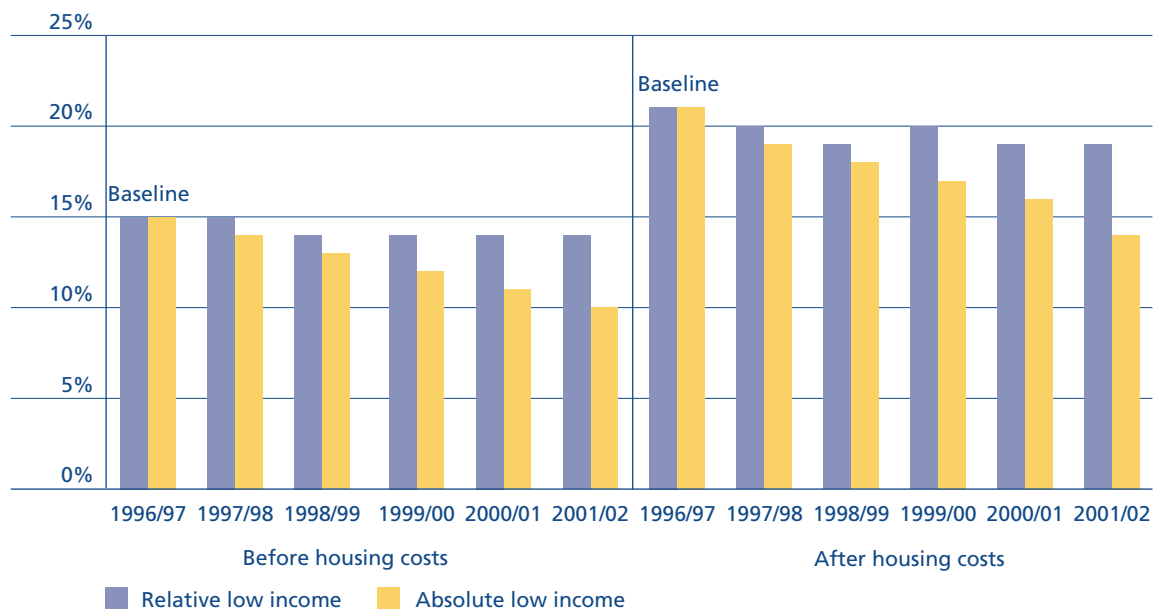
Low-income indicators (Great Britain):

- a) A reduction in the proportion of working-age people living in households with relative low incomes.
- b) A reduction in the proportion of working-age people living in households with low incomes in an absolute sense.
- c) A reduction in the proportion of working-age people living in households with persistent low incomes.

Baseline and trends: Baseline year – 1996/97. Data for the three indicators are presented in the chart and table below, though information for the persistent low-income indicator is shown only in the table. Whilst the table aims to provide a comprehensive picture of progress by including data for a range of low-income thresholds, the chart focuses on the 60 per cent of median income threshold for the relative and absolute indicators.

The proportion of working-age people living in households with relative low incomes remained broadly constant between 1996/97 and 2001/02, on both before and after housing costs measures. The proportion of working-age people living in households with absolute low incomes showed a fall from 21 per cent to 14 per cent on the after housing costs measure and 15 per cent to 10 per cent on the before housing costs measure. Seven per cent of working-age people lived in a household with a low income in at least three out of four years between 1998 and 2001.

Percentage of working-age adults living in low-income households (Great Britain)



Percentage of working-age people living in low-income households (Great Britain)

		Relative low income			Absolute low income				
		Low-income threshold	50% of median	60% of median	70% of median	50% of median	60% of median	70% of median	
Baseline	1996/97		8	15	21	8	15	21	
	1997/98		8	15	21	8	14	21	
	Before housing costs	1998/99		8	14	21	7	13	19
		1999/00		8	14	21	7	12	19
		2000/01		9	14	21	7	11	17
		2001/02		8	14	21	6	10	15
After housing costs	1996/97		15	21	26	15	21	26	
	1997/98		14	20	25	14	19	24	
	1998/99		14	19	24	13	18	23	
	1999/00		14	20	25	12	17	22	
	2000/01		14	19	25	11	16	20	
	2001/02		14	19	24	9	14	18	
Persistent low income									
		1991–94	1992–95	1993–96	1994–97	1995–98	1996–99	1997–00	1998–01
Below 60% of median in 3 out of 4 years		8	7	7	7	7	7	7	7
Below 70% of median in 3 out of 4 years		13	13	13	12	12	12	12	12

Definition: Low-income thresholds are 50, 60 and 70 per cent of median household income (before and after housing costs):

- relative low income – median income moving each year;
- absolute low income – median income fixed at 1996/97 levels in real terms; and
- persistent low income – low income (before housing costs only) in three out of the last four years (60 and 70 per cent of median only).

Data for thresholds of mean income and full definitions are available in *Households Below Average Income 1994/5–2001/02*. Methodological improvements have led to some amendments to the data for the persistent low income indicator, though the trend has not changed.

Data source: Households Below Average Income information based on Family Resources Survey and British Household Panel Survey data.

A reduction in adult smoking rates and in particular a reduction in adult smoking rates in manual socio-economic groups (England).

Baseline and trends: Baseline year for adult smoking prevalence – 1996 – 28 per cent. Baseline year for manual socio-economic group – 1998 – 32 per cent compared with 27 per cent for all adults and 21 per cent in non-manual groups. Smoking prevalence fell steadily from 1974 to 1992, and has remained broadly flat between 1992 and 1998. Between 1998 and 2001, smoking prevalence fell slightly for all groups (see table).

Smoking rates (England)

<i>Percentages (unweighted)</i>	1988	1990	1992	1994	Baseline	
					1996	1998
All adults	31	29	28	26	28	27
Non-manual groups	25	24	23	21	22	21
Manual groups	37	35	33	32	34	32

<i>Percentages (weighted)</i>	1998*	2000*	2001*
All adults	28	27	27
Non-manual groups	22	23	21
Manual groups	33	31	32

Note: *General Household Survey data were weighted in 2000 and retrospectively for 1998 for comparative purposes. Weighted data cannot be reliably compared with unweighted data.

Definition: Percentage of all adults and adults in manual socio-economic groups aged 16 and over in England smoking cigarettes. Socio-economic group corresponds to the present job of those currently working and to the last job of those not currently working. Members of the Armed Forces, persons in inadequately described occupations and all persons who have never worked have not been shown in the manual category but are included in the figures shown as totals. The manual socio-economic group category includes skilled manual (including foremen and supervisors) and own account non-professional, semi-skilled manual and personal service and unskilled manual workers.

The General Household Survey is a continuous survey that has been running since 1971 and is based each year on a sample of the general population resident in private households in Great Britain. In surveys prior to 2000, the results have been presented as unweighted data. However, in 2000 the decision was made by the Office for National Statistics to weight the data to compensate for under-representation of people in some groups (for example young men) and the 2000 results are only provided based on weighted data. The weighted data provide more reliable estimates than the unweighted data.

The weighting of the data gives a break in the series. To give reliable comparisons, trends up to and including 1998 must be based on unweighted data and trends for 1998 onwards (that is, comparing 1998 with 2001) must be based on weighted data.

The recoding of manual and non-manual groups, following the introduction of the new National Statistics Socio-Economic Classification (NS SEC), is not the same as the old socio-economic classification, so comparisons with previous years' data should be treated with caution.

Data source: Office for National Statistics *General Household Survey, Living in Britain 2001*, analysed for England.

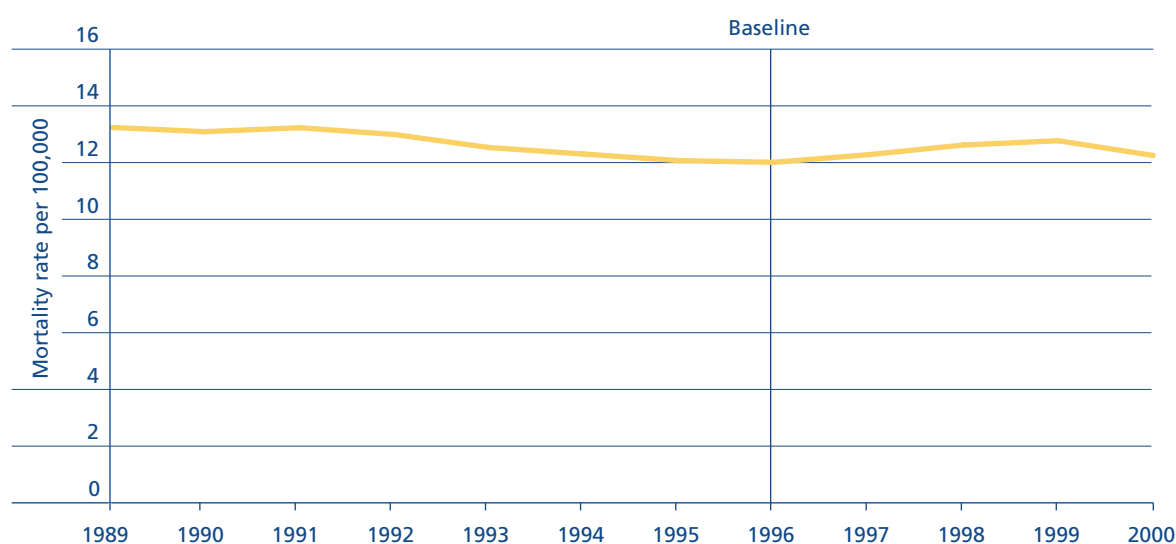
Linked to Smoking Kills White Paper target: To reduce adult smoking in all social classes so that the overall rate falls from 28 per cent to 24 per cent or less by the year 2010, with a fall to 26 per cent by the year 2005.

Linked to NHS Cancer Plan target: To reduce smoking rates among manual groups from 32 per cent in 1998 to 26 per cent by 2010, so that we can narrow the gap between manual and non-manual groups.

A reduction in the death rates from suicide and undetermined injury (England).

Baseline and trends: Baseline year – 1996. Suicide plus undetermined injury rate for England was 12 per 100,000 working-age adults. Suicide rates, whilst fluctuating year-on-year, showed a downward trend in the first half of the 1990s. There were modest increases between 1996 and 1999 followed by a decrease in 2000 to around 1996 levels, remaining below levels of 1991 and earlier years.

Mortality rates per 100,000 working-age adults from suicide and undetermined injury (England)



Note: age group is 15–64, owing to data limitations – this is a proxy for 16–64.

Mortality rates per 100,000 working-age adults from suicide and undetermined injury (England)

												Baseline	
1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000		
13.24	13.09	13.23	12.99	12.53	12.30	12.07	12.01	12.28	12.62	12.77	12.25		

Definition: Suicides (three-year average rate). See Appendix 2 of *Saving Lives: Our Healthier Nation*, Department of Health White Paper. The indicator presented here is for 15–64-year-olds rather than for the whole population. Revised from previous time series – populations now based on 2001 Census.

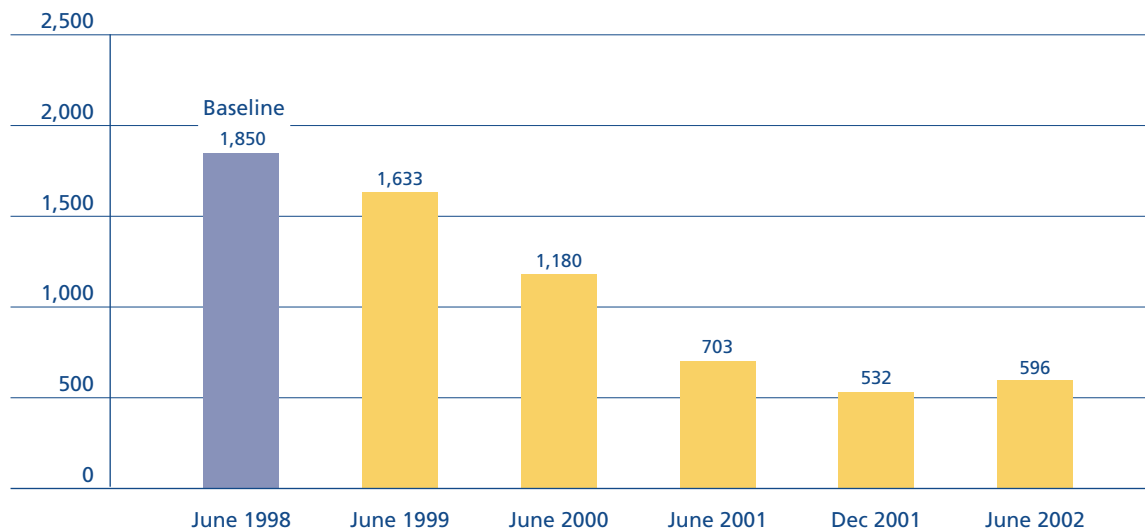
Data source: Office for National Statistics data, calculations by Department of Health.

Linked to Department of Health PSA target: Improve life outcomes of adults and children with mental health problems through year-on-year improvements in access to crisis and CAMHS services, and reduce mortality rate from suicide and undetermined injury by at least 20 per cent by 2010.

A reduction in the number of people sleeping rough (England).

Baseline and trends: Baseline year – 1998. In June 1998 1,850 people were estimated to be sleeping rough. In June 2002, local authority returns showed 596 people were estimated to be sleeping rough on any one night, representing a 68 per cent reduction from the 1998 baseline. This sustained the Prime Minister's target to reduce the number of people sleeping rough by at least two-thirds by March 2002.

Estimated number of rough sleepers (England)



Definition: Figures based on single-night street counts.

Data source: Housing Investment Programme data, supplied by local authorities.

Linked to Office of the Deputy Prime Minister PSA target: To reduce the number of people sleeping rough to as near to zero as possible and by at least two-thirds compared to June 1998 and keep the number at or below this level thereafter.

In 2002 a new Homelessness Directorate was set up based in the Office of the Deputy Prime Minister, bringing together the Rough Sleepers Unit, the Bed and Breakfast Unit and a new team to advise local authorities on strategies to tackle homelessness. The Directorate aims to:

- sustain the success of the Prime Minister's target of reducing rough sleeping by two-thirds by 2002; and
- ensure that by March 2004 no homeless families with children are living in bed and breakfast hotels, except in an emergency and even then for no more than six weeks.

To reduce the use of Class A drugs and the frequent use of any illicit drug by young people in the last year (England and Wales).

Baseline and trends: Baseline year – 1998. The British Crime Survey asks whether respondents have used drugs ever, in the last year and in the last month. There has been no significant change in the proportion of 16–24-year-olds (in England and Wales) reporting last-year use of Class A drugs between 1998 and 2001. The latest information for 2001 shows 8.8 per cent reporting use during the last year compared with 8.6 per cent in 1998. Owing to low prevalence estimates for the ‘use in the last month’ data, caution should be used when comparing these figures.

Class A drug use among 16–24-year-olds (England and Wales)

<i>Percentage</i>	Baseline			
	1996	1998	2000	2001
Use in the last year	9.2	8.6	9.7	8.8
Use in the last month	4.2	3.6	5.0	4.9

Definition: The drug misuse self-completion component of the British Crime Survey (BCS) asks about drug use over the respondent’s lifetime, in the last year and in the last month – this indicator is for 16–24-year-olds’ use in the last year. The BCS will also be used to identify frequent drug users in the future. The data presented covers England and Wales. Class A drugs asked about in the BCS are cocaine, crack, ecstasy, heroin, LSD, magic mushrooms and methadone. There are other Class A drugs but their use is comparatively rare.

Information on drug use among children aged 11–15 is monitored using an annual survey of smoking, drinking and drug use among secondary school children. This provides a cross-check on progress towards the target.

Data source: British Crime Survey (covers England and Wales).

Linked to Home Office PSA target: Between 1998 and 2008 – to reduce the use of Class A drugs and the frequent use of any illicit drug among all young people under the age of 25, especially by the most vulnerable young people.

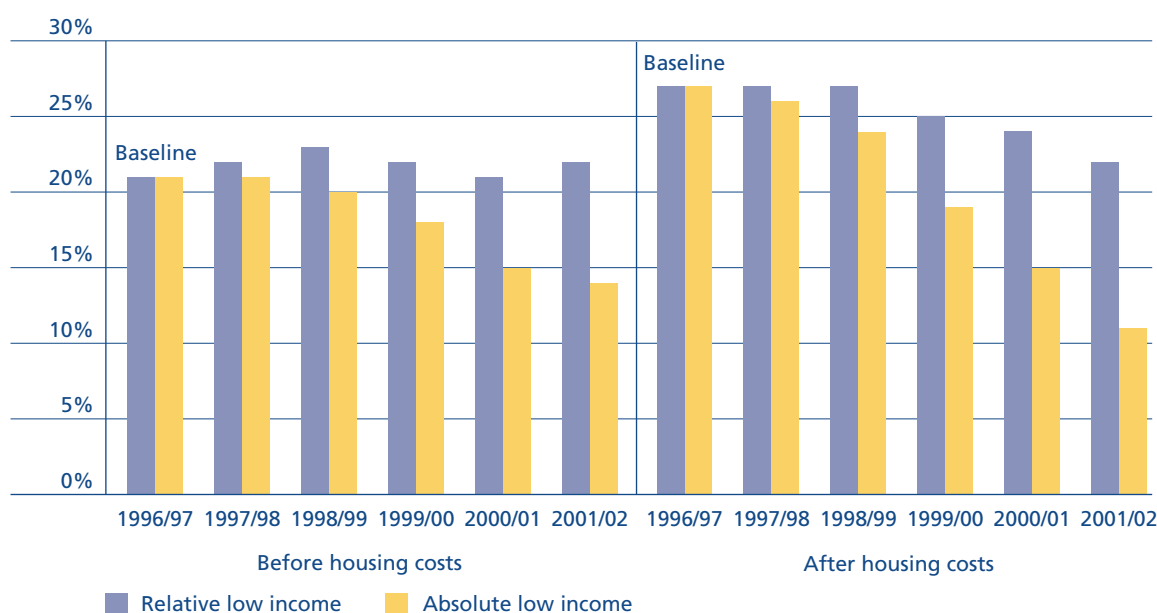
Indicators for older people

Low-income indicators (Great Britain):

- a) A reduction in the proportion of pensioners living in households with relative low incomes.
- b) A reduction in the proportion of pensioners living in households with low incomes in an absolute sense.
- c) A reduction in the proportion of pensioners living in households with persistent low incomes.

Baseline and trends: Baseline year – 1996/97. Data for the three indicators are presented in the chart and table below, though information for the persistent low income indicator is shown only in the table. Whilst the table aims to provide a comprehensive picture of progress by including data for a range of low-income thresholds, the chart focuses on the 60 per cent of median income threshold for the relative and absolute indicators.

Percentage of pensioners living in low-income households (Great Britain)



The proportion of pensioners living in households with relative low incomes fluctuated between 1996/97 and 2001/02 on the before housing costs measure, but there is a clear downward trend on the after housing costs measure, from 27 per cent to 22 per cent. The proportion of pensioners living in households with absolute low incomes showed a large fall from 27 per cent to 11 per cent on the after housing costs measure and 21 per cent to 14 per cent before housing costs. Eighteen per cent of pensioners lived in a household with a low income in at least three out of four years between 1998 and 2001.

Percentage of older people living in low-income households

		Relative low income			Absolute low income				
		Low-income threshold	50% of median	60% of median	70% of median	50% of median	60% of median	70% of median	
Baseline	1996/97	10	21	35	10	21	35		
	1997/98	11	22	35	11	21	34		
	Before housing costs	1998/99	12	23	36	10	20	33	
		1999/00	11	22	35	9	18	29	
		2000/01	11	21	34	7	15	26	
		2001/02	11	22	34	6	14	23	
Baseline	1996/97	12	27	39	12	27	39		
	1997/98	12	27	38	11	26	37		
	After housing costs	1998/99	12	27	38	10	24	35	
		1999/00	12	25	37	8	19	31	
		2000/01	11	24	36	6	15	27	
		2001/02	11	22	36	6	11	21	
Persistent low income									
		1991–94	1992–95	1993–96	1994–97	1995–98	1996–99	1997–00	1998–01
Below 60% of median in 3 out of 4 years		16	16	16	17	17	18	17	18
Below 70% of median in 3 out of 4 years		33	31	32	33	33	34	34	33

Definition: Low-income thresholds are 50, 60 and 70 per cent of median household income (before and after housing costs):

- a) relative low income – median income moving each year;
- b) absolute low income – median income fixed at 1996/97 levels in real terms; and
- c) persistent low income – low income (before housing costs) in three out of the last four years (60 and 70 per cent of median only).

Data for thresholds of mean income and full definitions are available in *Households Below Average Income 1994/5–2001/02*. Methodological improvements have led to some amendments to the data for the persistent low income indicator, though the trend has not changed.

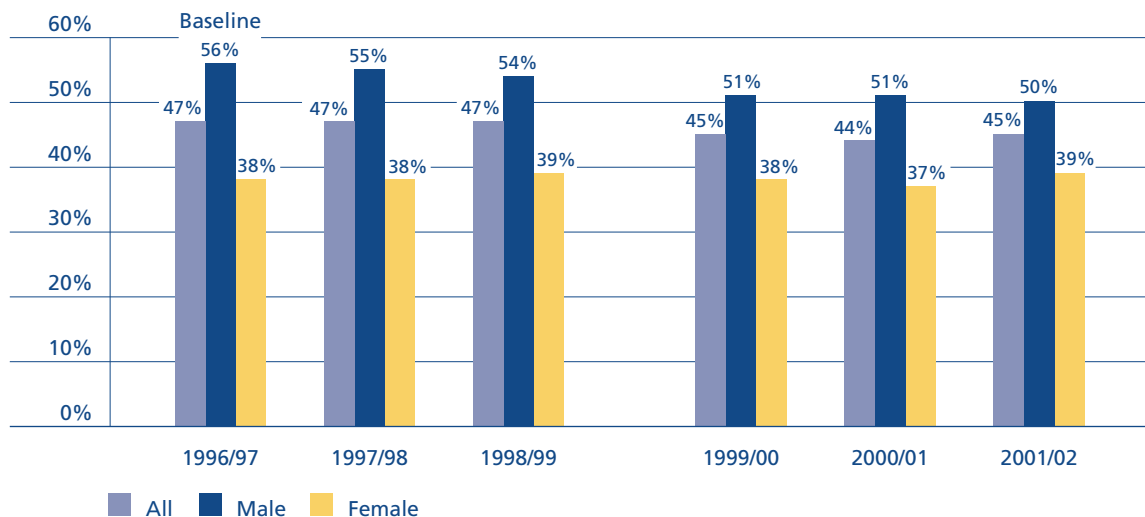
Data source: Households Below Average Income information based on Family Resources Survey and British Household Panel Survey data.

Linked to Department for Work and Pensions PSA target: By 2006, be paying Pension Credit to at least 3 million pensioner households.

An increase in the proportion of working-age people contributing to a non-state pension (Great Britain).

Baseline and trends: Baseline year – 1996/97. Between 1996/97 and 1998/99 the proportion contributing to a non-state pension remained broadly constant. Data for the years 1999/2000 to 2001/02 are not comparable with earlier data. Between 1999/2000 and 2001/02 the proportion contributing remained broadly constant. More men are contributing than women, 50 per cent compared with 39 per cent in 2001/02.

Proportion of working-age people contributing to non-state pensions (Great Britain)



Definition: Includes people in an employees' occupational scheme and/or personal pension scheme. Methodological work conducted by the Office for National Statistics and the National Centre for Social Research in 1996/97 resulted in a number of recommendations for improving pension questions across government surveys. These proposals were implemented on the Family Resources Survey in 1999/2000 and have led to a discontinuity in the series for pension contributions.

Data source: Family Resources Survey.

Linked to Department for Work and Pensions PSA target: By 2004, 14 million low and moderate earners will have started to build up a better second pension than would be possible under the State Earnings Related Pension Scheme.

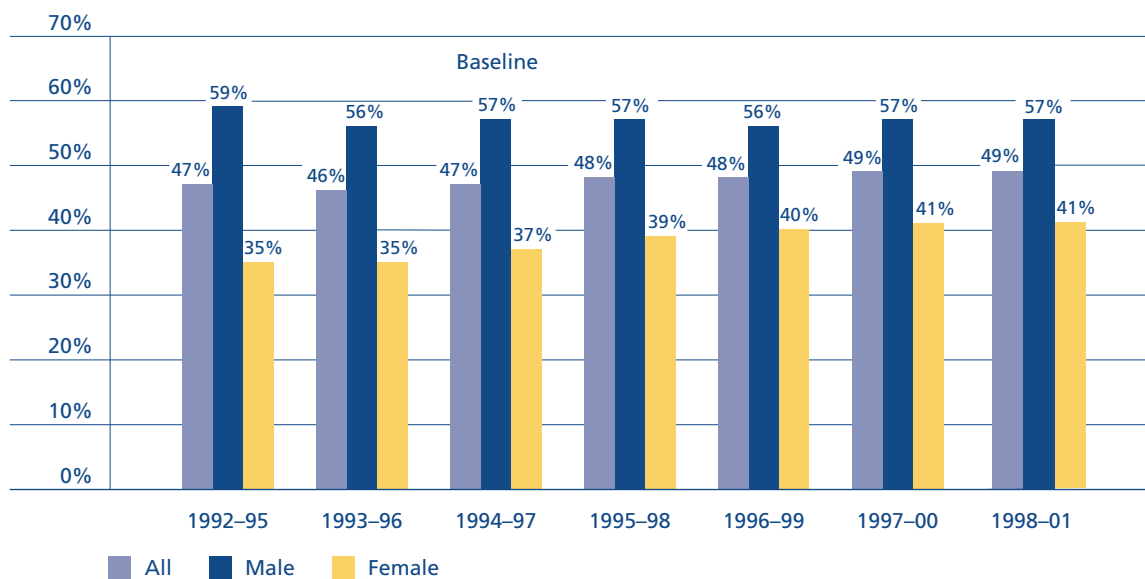
An increase in the amount contributed to non-state pensions (United Kingdom).

The data underlying this indicator are currently being reviewed as part of the ongoing Office for National Statistics Review of Pension Contribution Statistics. Initial findings from this review will be available in 2004.

An increase in the proportion of working-age people who have contributed to a non-state pension in at least three years out of the last four (Great Britain).

Baseline and trends: Baseline data – 1994–1997. Estimates for the periods 1994–97 (the baseline) and 1998–2001 show an increase from 47 per cent to 49 per cent in the proportion of people contributing to non-state pensions in at least three years out of the last four. Men are more likely to be consistently contributing than women (57 per cent compared with 41 per cent in the period 1998–2001). Improvements in the overall rate since the baseline have been driven by improvements for women rather than men. The gap between the proportion of men and women making consistent contributions has narrowed from 20 percentage points to 16 percentage points since the baseline.

Percentage of working-age people who have contributed to a non-state pension in at least three years out of the last four (Great Britain)



Definition: Proportion of those aged 20 to state pension age who have contributed to a non-state pension in at least three years out of the last four. Includes people in an employees' occupational scheme and/or personal pension scheme. The figures are lower than those previously reported because the definition has been aligned with the Family Resources Survey indicator.

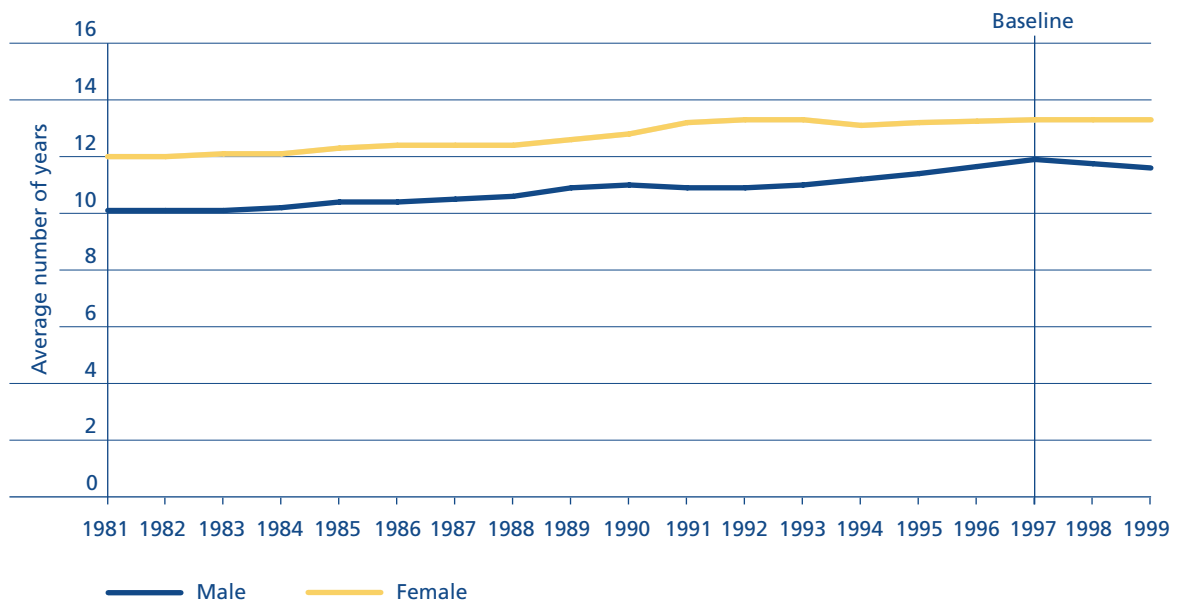
Data source: British Household Panel Survey (data for Great Britain).

Linked to Department for Work and Pensions PSA targets: To reform second tier pension provision, working with providers and employers so that: by 2004 stakeholder pensions have given more people access to good value funded second pensions; 14 million low and moderate earners have started to build up a better second pension than would be possible under the State Earnings Related Pension Scheme.

An increase in healthy life expectancy at age 65 (England).

Baseline and trends: Baseline year – 1997 (based on General Household Survey data for 1996 and 1998). Healthy life expectancy at age 65 (based on self-reported health assessments) is higher for women than for men. The gap in healthy life expectancy at age 65 between men and women has narrowed slightly in recent years. Healthy life expectancy at age 65 for men has risen from 10.1 years in 1981 to 11.9 in 1997 (the baseline) and for women from 12.0 in 1981 to 13.3 in 1997 (the baseline). Changes between 1997 and 1999 are small.

Healthy life expectancy at age 65 (England)



Healthy life expectancy at age 65 (England)

	1981	1982	1983	1984	1985	1986	1987	1988	1989	
Male	10.1	10.1	10.1	10.2	10.4	10.4	10.5	10.6	10.9	
Female	12.0	12.0	12.1	12.1	12.3	12.4	12.4	12.4	12.6	
							Baseline			
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Male	11.0	10.9	10.9	11.0	11.2	11.4	–	11.9	–	11.7
Female	12.8	13.2	13.3	13.3	13.1	13.2	–	13.3	–	13.3

Note: Data for 1996, 1998 and 2000 are not available. The chart shows life expectancy and healthy life expectancy estimates that have not been revised following the 2001 Census. To date the healthy life expectancy estimates have not been recalculated. The data from the Census will allow investigation of the continued appropriateness of the adjustment for residents of communal establishments. The Office for National Statistics (ONS) will also need to consider the effect of the introduction of response weighting in the General Household Survey from the 2000 survey. Following these investigations, ONS will consider revising the time series and will then include the revised population estimates and life expectancy data that have already been published following the 2001 Census. Revised life expectancy estimates can be found on the Government Actuary's Department website.

Definition: Average number of years that a person aged 65–69 can expect to live in good or fairly good health based on people's own assessment of their general health. All data except the final two points are three-year moving averages plotted on the central year (for example, 1995 uses data for 1994–1996). Data for 1996, 1998 and 2000 are not available because the General Household Survey was not undertaken in 1997 or 1999.

Data source: Estimates from Office for National Statistics.

Linked to Department of Health PSA target: To reduce substantially the mortality rates from major killer diseases by 2010 from heart disease by at least 40 per cent in people under 75; from cancer by at least 20 per cent in people under 75; and the actions required to achieve the mortality targets should also bring about an improvement in healthy life expectancy for people of all ages.

An increase in the proportion of older people being helped to live independently (England):

a) receiving intensive home care; and

b) receiving any community-based service.

Baseline and trends: Baseline year – 1998/99.

- a) The number of households receiving intensive home care per thousand aged 65 and over was 9.9 per thousand in 2001/02, up from 7.8 per thousand in 1998/99.
- b) The number of people receiving any community-based service per thousand population aged 65 and over was 85 per thousand in 2001/02, a small increase from 83 per thousand in 2000/01 and up on the baseline of 82 per thousand in 1998/99.

Proportion of older people being helped to live independently (England)

a) Receiving intensive home care

		Number of households per thousand population aged 65 and over
1998/99	Baseline	7.8
1999/00		8.8
2000/01		9.3
2001/02		9.9

b) Receiving any community-based service

		People per thousand population aged 65 and over	
		Old basis	New basis
1996/97		83	
1997/98		81	
1998/99	Baseline	71	82
1999/00			85
2000/01			83
2001/02			85

Definition: a) The number of households receiving more than ten hours of contact and six or more visits during the survey week per thousand head of population aged 65 or over.

b) The number of people receiving any community-based services per thousand head of population aged 65 and over. There was a change in definitions in 1998/99. The new basis covers a wider variety of services to be counted as helping people to live at home, therefore the indicator is higher than previously. Additionally, measurement has changed slightly to include people on the books whereas previously it included only those actually in receipt of such services during a sample week.

Data source: Social Services Performance Assessment Framework Indicators 2001–2002.

Linked to Department of Health PSA target: Improve the quality of life and independence of older people so that they can live at home wherever possible, by increasing by March 2006 the number of those supported intensively to live at home to 30 per cent of the total being supported by social services at home or in residential care.

A reduction in the proportion of older people who live in a home that falls below the set standard of decency (England).

Baseline and trends: In 2001, 34 per cent of older people lived in a home that did not meet the set standard of decency, a significant decrease from 1996 (48 per cent).

Definition: The proportion of older people (aged 60 or over) who live in a home that is not decent. The definition of a decent home is one that meets all of the following criteria:

- it is above the current statutory minimum standard for housing;
- it is in a reasonable state of repair;
- it has reasonably modern facilities and services; and
- it provides a reasonable degree of thermal comfort.

Since the publication of last year's *Opportunity for all* report, the Office of the Deputy Prime Minister has made some detailed refinements to the way the decent home indicator is calculated. This has increased the proportion of people living in non-decent housing. Prior to the revision 44 per cent of older people lived in homes that did not meet the decent home standard in 1996.

Data source: The English House Condition Survey until recently was undertaken every five years. However, since 2001, the English House Condition Survey has been conducted on a continuous basis.

Linked to Office of the Deputy Prime Minister PSA target: By 2010, bring all social housing into decent condition with most of the improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups. The PSA target refers to households and does not distinguish between children, working-age and older people.

A reduction in the proportion of older people whose lives are affected by fear of crime (England and Wales).

Baseline and trends: Baseline year – 1998. In 1998, 10 per cent of those aged 60 and over said that their life was greatly affected by fear of crime. By 2002/03 this figure had dropped to 8 per cent. Trends further back in time are not available. More women than men report that their lives are greatly affected by fear of crime.

Percentage of older people reporting fear of crime (England and Wales)

	Baseline 1998	2000	2001	2001/02	2002/03
All	10	10	8	8	8
Male	5	7	3	6	6
Female	14	12	12	9	9

Note: In 2001, the data collection method for the British Crime Survey changed to continuous interviewing with presentation of annual data based on the financial year.

Definition: Proportion of those aged 60 or over who report that their lives are greatly affected by a fear of crime. The respondents who are greatly affected by fear of crime constitute those responding 8, 9 or 10 on a scale of 1 to 10 of how much fear of crime affects quality of life, where 1 is no effect and 10 is total effect.

Data source: British Crime Survey (England and Wales).

Linked to Home Office Criminal Justice System PSA target: Ensure by 2004 that the levels of fear of crime in the key categories of violent crime, burglary and car crime, reported in the British Crime Survey, are lower than the levels reported in the 2001 British Crime Survey.

Indicators for communities

A reduction in the difference between employment rates in the most deprived local authority areas and the overall employment rate, over the economic cycle (Great Britain).

Baseline and trends: Baseline year – 2001. The table below shows a rise in the employment rate for the 30 most deprived local authority areas from 63.2 per cent in 2001 to 64.4 per cent in 2003. The overall employment rate was relatively stable over this period and consequently the rate gap narrowed from 11.8 to 10.6 percentage points.

Employment rates in the most deprived local authority areas compared with the overall employment rate (Great Britain)

	Employment rate for the 30 most deprived areas (per cent)	Great Britain employment rate (per cent)	Employment rate gap (percentage points)
2000	62.2	74.6	12.4
2001 Baseline	63.2	75.0	11.8
2002	63.7	74.8	11.2
2003	64.4	75.0	10.6

Definition: Employment rates are for working-age people, aged 16–59 for women and 16–64 for men. The 30 most deprived areas are the local authority areas with the worst initial labour market position listed below. The employment rate for the 30 areas is the total number of working-age people in employment in all 30 areas as a proportion of the total working-age population in all 30 areas.

The 30 local authority areas with the worst initial labour market position are: Tower Hamlets; Merthyr Tydfil; Knowsley; City of Glasgow; Easington; Hackney; Blaenau Gwent; Liverpool; Manchester; Newham; Middlesbrough; Neath Port Talbot; South Tyneside; Islington; Sunderland; Halton; East Ayrshire; Redcar and Cleveland; Southwark; Rhondda, Cynon, Taff; Kingston upon Hull, City; Hartlepool; Caerphilly; Newcastle upon Tyne; North Lanarkshire; Nottingham; West Dunbartonshire; Pembrokeshire; Salford; Dundee.

Data source: Labour Force Survey, four-quarter averages to spring.

Linked to Welfare to Work PSA target: Over the three years to 2006, taking account of the economic cycle, increase the employment rate of the 30 local authority districts with the poorest initial labour market position and significantly reduce the difference between this employment rate and the overall employment rate.

The local authority district (LAD) areas for this target have been changed. These changes will be reflected in the data for the indicator next year. These changes have been made because of changes to the 30 LADs with the worst labour market position.

A reduction in the national rate of domestic burglary and a reduction in the gap between the rates in the Crime and Disorder Reduction Partnerships with the highest rates of domestic burglary and the national average (England and Wales).

Baseline and trends: Baseline year – 1998/99 – 22.0 per thousand households. In 2002/03 the burglary rate for England and Wales was 20.2 per thousand households, 14 Crime and Disorder Reduction Partnerships had a domestic burglary rate that was between two and three times the national average rate and one had a rate more than three times that rate. Nationally, if changes in crime recording standards are taken into account, there was a two per cent reduction in recorded burglary (two per cent increase unadjusted).

Recorded burglary rates (England and Wales)

	Rate per thousand households
1998/99 Baseline	22.0
1999/00	20.7
2000/01	18.4
2001/02	19.4
2002/03	20.2

Note: 2002/03 data are not adjusted to take account of changes in recording standards.

Definition: Recorded burglaries per thousand households. Burglary is defined by the Theft Act 1968 Sections 9 and 10 as comprising both burglary in a dwelling and aggravated burglary in a dwelling. Crime and Disorder Reduction Partnerships are, in most cases, closely linked to local authority areas.

Data source: Crime Statistics, Home Office – covers England and Wales. Crime and Disorder Reduction Partnerships data have been collected centrally for the period from 1 April 2000. Population data from Office for National Statistics.

Linked to Home Office Objective: To reduce residential burglary and the fear of burglary.

Linked to Home Office PSA target: Reduce crime and the fear of crime; improve performance overall, including by reducing the gap between the highest crime Crime and Disorder Reduction Partnership areas and the best comparable areas, and reduce:

- vehicle crime by 30 per cent from 1998/99 to 2004;
- domestic burglary by 25 per cent from 1998/99 to 2005;
- robbery in the ten Street Crime Initiative areas by 14 per cent from 1999/2000 to 2005;

and maintain that level.

Under the PSA target agreed as part of Spending Review 2002, the burglary floor target (that no local authority area should have a burglary rate more than three times the national average) has been replaced from 2003/04 by a wider volume crime (domestic burglary, vehicle crime and robbery) convergence target – reduce the gap between the highest crime Crime and Disorder Reduction Partnership areas and the best comparable areas. There is no separate target for reducing the gap in burglary rates.

A reduction in the proportion of households who live in a home that falls below the set standard of decency (England).

Baseline and trends: In 2001, 33 per cent of households lived in a home that did not meet the set standard of decency, a significant decrease from 1996 (45 per cent).

Definition: The proportion of households who live in a home that did not meet the set standard of decency. The definition of a decent home is one that meets all of the following criteria:

- it is above the current statutory minimum standard for housing;
- it is in a reasonable state of repair;
- it has reasonably modern facilities and services; and
- it provides a reasonable degree of thermal comfort.

Since the publication of last year's *Opportunity for all* report, the Office of the Deputy Prime Minister has made some detailed refinements to the way the decent home indicator is calculated. This has increased the proportion of people living in non-decent housing. Prior to the revision 41 per cent of households lived in homes that did not meet the decent home standard in 1996.

Data source: The English House Condition Survey until recently was undertaken every five years. However, since 2001, the English House Condition Survey has been conducted on a continuous basis.

Linked to Office of the Deputy Prime Minister PSA target: By 2010, bring all social housing into decent condition with most of this improvement taking place in deprived areas, and increase the proportion of private housing in decent condition occupied by vulnerable groups.

A reduction in the proportion of households in fuel poverty (England).

Baseline and trends: Baseline year – 1998. The number of households in fuel poverty has fallen significantly between 1996 and 2001. Much of this fall is thought to be due to changes in household incomes and energy prices (in roughly equal shares), with energy efficiency improvements expected to have played a significant role in more recent years.

Percentage of households in fuel poverty (England)

	Total	Vulnerable households
1996	22	31
1998 Baseline	16	20
2001	8	10

Definition: Households are considered fuel poor if, in order to maintain a satisfactory heating regime, they would need to spend more than 10 per cent of their income on all household fuel use. Vulnerable households are households containing someone aged 60 or over or under 16, or someone who is disabled or has a long-term illness.

The income estimates include Housing Benefit and Income Support for Mortgage Interest (ISMI).

We are working towards a consistent definition across the UK. More explanation of this is given in *The UK Fuel Poverty Strategy, 1st Annual Progress report*⁵. The figures for England in 2001 have been produced using the same method as in earlier years for consistency, though an improved method has recently been developed⁶.

Data source: The English House Condition Survey 1996, 2001, and the Energy Follow Up Survey 1998.

Linked with Department of Health PSA target: Following the Warm Homes and Energy Conservation Act 2000, Government has a legally binding commitment to publish and implement a strategy for England to reduce fuel poverty and set targets for its implementation. The priorities set out in *The UK Fuel Poverty Strategy*, published in November 2001, are to eradicate fuel poverty where practicable to do so, by 2010 for vulnerable and 2016 for non-vulnerable households. A PSA target has been set to assist 600,000 households through the Warm Front scheme in England, between 2001 and 2004.

To reduce the gap between the fifth of local authorities with the lowest life expectancy at birth and the population as a whole (England).

Baseline and trends: Baseline data – 1998 (based on the three years 1997–99). Data for 1992–97 indicate a trend for the life expectancy gap to widen. Since 1998 there has been no significant change in the gap.

Life expectancy for males and females in England compared with the fifth of local authorities with the lowest life expectancy (England)

		Baseline								
		1992	1993	1994	1995	1996	1997	1998	1999	2000
Males	Lowest fifth of local authorities	71.9	72.1	72.3	72.5	72.6	72.8	73.0	73.3	73.6
	Total population	73.6	73.9	74.1	74.3	74.5	74.8	75.0	75.3	75.6
	Difference	1.7	1.8	1.8	1.8	1.9	2.0	2.0	2.0	2.0
Females	Lowest fifth of local authorities	77.6	77.9	78.0	78.2	78.3	78.3	78.4	78.6	78.8
	Total population	79.0	79.2	79.3	79.5	79.6	79.8	79.9	80.1	80.3
	Difference	1.4	1.3	1.3	1.3	1.3	1.5	1.5	1.5	1.5

Note: Data are provisional.

Definition: Expectation of life data is based on population estimates and deaths data. The data presented for life expectancy are based on three-year averages for local authorities in England. The target was set initially in terms of the fifth of health authorities with the lowest life expectancy. Following NHS reorganisation, including the abolition of old health authorities on 1 April 2002, the target was reformulated in terms of local authorities. The data have been calculated using population estimates based on the 2001 Census. The data are provisional as the methodology used to derive the figures is under review. Final data are expected to be available by the end of 2003.

The target, and consequently the indicator, has been chosen to monitor an overall reduction in inequality – it is not just a measure of improvement in disadvantaged groups. *Tackling Health Inequalities – A Programme for Action* was published in July 2003. It sets out plans to tackle health inequalities over the next three years, providing the basis for meeting the Department of Health PSA health inequalities target and addressing the wider causes of health inequalities.

Progress towards the target will not be assessed simply in terms of the targets as formulated. The programme for action includes a set of national headline indicators supporting the target, covering key wider determinants of health and relevant factors within and outside the NHS. These indicators will be monitored to check progress on key aspects of the inequality agenda.

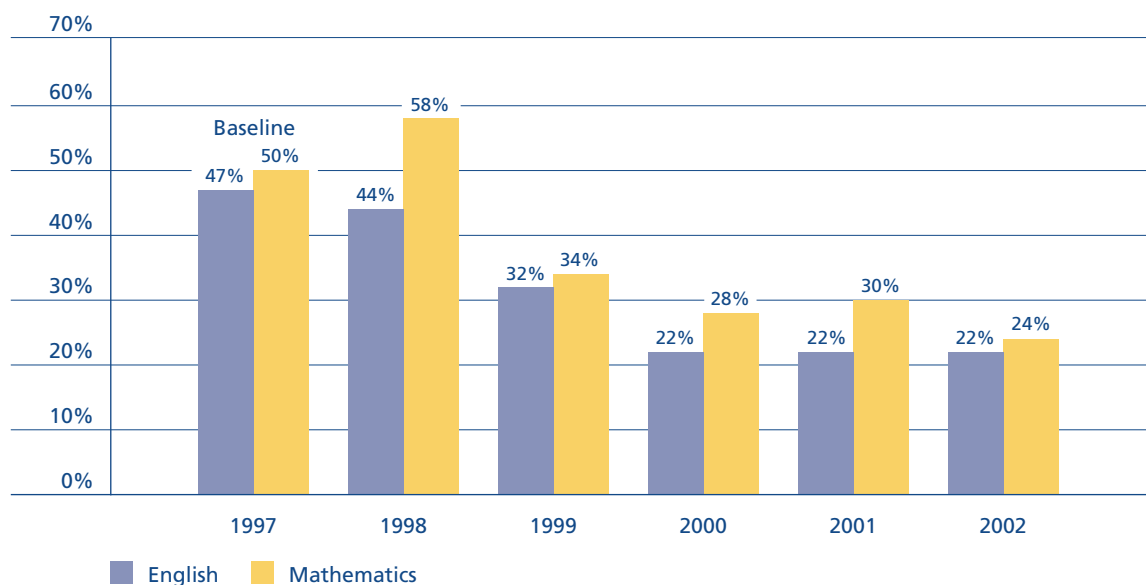
Data source: Government Actuary's Department – total population life expectancy figures. Office for National Statistics – figures for the fifth of local authorities with lowest life expectancy figures (data for England).

Linked with Department of Health PSA target: By 2010 to reduce inequalities in health outcomes by 10 per cent as measured by infant mortality and life expectancy. The detailed objective for life expectancy underpinning the target is: starting with local authorities, by 2010 to reduce by at least 10 per cent the gap between the fifth of areas with the lowest life expectancy at birth and the population as a whole.

A reduction in the proportion of schools in which fewer than 65 per cent of pupils achieve Level 4 or above in the Key Stage 2 tests for English and mathematics (England).

Baseline and trends: Baseline year – 1997. Between 1997 and 2002 there has been an overall decrease in the proportion of schools in which fewer than 65 per cent of pupils achieve Level 4 or higher in the Key Stage 2 tests for English and mathematics.

Percentage of mainstream schools with fewer than 65 per cent of pupils achieving Level 4 or above in the Key Stage 2 tests for English and mathematics (England)



Definition: Proportion of schools in which fewer than 65 per cent of 11-year-olds achieve Level 4 or above in Key Stage 2 English and mathematics tests. Does not include schools with ten or fewer eligible pupils.

Data source: National Curriculum Assessments, Key Stage 2, Department for Education and Skills.

Linked to Department for Education and Skills PSA target: To raise standards in English and mathematics for 11-year-olds so that by 2006:

- the number of schools in which fewer than 65 per cent of pupils achieve Level 4 or above is significantly reduced; and
- all local education authorities should have at least 78 per cent of their 11-year-olds at Level 4 or above in English and mathematics.

A greater reduction in the proportion of road accident casualties in disadvantaged districts than in England as a whole (England).

Baseline and trends: Baseline data – 1999–2001 (average of figures for 1999, 2000 and 2001). There has been a greater reduction in the proportion of all road accident casualties in disadvantaged districts than in England as a whole. The number of casualties in road accidents in disadvantaged districts in 2002 has fallen by 6.4 per cent since the baseline, compared with a 5.1 per cent fall in England as a whole.

Definition: An accident is defined as one that involves personal injury occurring on the public highway in which at least one road vehicle or a vehicle in collision with a pedestrian is involved. A casualty is defined as a person killed or injured in an accident. A deprived district is a district that is eligible for the Neighbourhood Renewal Fund (NRF).

Data source: Department for Transport's STATS19 personal injury accident database.

Linked to Department for Transport PSA: To reduce casualty numbers in deprived areas by more than the percentage decline across the country.

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Chapter two: Developing our understanding

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